

STATE OF WISCONSIN

Senate Journal

Eighty-Third Regular Session

TUESDAY, June 28, 1977.

10:00 A.M.

The senate met.

The senate was called to order by Fred Risser, president pro tempore of the senate.

The senate stood for the prayer which was offered by Reverend Paul A. Kehle, Pastor of Plymouth Congressional Church of Madison.

The senate remained standing and Senator Van Sistine led the senate in the pledge of allegiance to the flag of the United States of America.

The roll was called and the following senators answered to their names:

Senators Adelman, Bablitch, Berger, Bidwell, Braun, Chilsen, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, McKenna, Lasee, Lorge, McCallum, Maurer, Morrison, Murphy, Offner, Peloquin, Petri, Radosevich, Risser, Sensenbrenner, Swan, Theno, Thompson and Van Sistine -- 32.

Absent -- Senator Parys -- 1.

Absent with leave -- None.

INTRODUCTION OF RESOLUTIONS

Senate Joint Resolution 42

Granting the Governor's Commission on the United Nations the use of the legislative chambers on November 18 and 19, 1977.

By Senator Risser, cosponsored by Representative Jackamonis.

Read and referred to committee on Senate Organization.

BILLS INTRODUCED

Read first time and referred:

Senate Bill 479

Relating to repealing the personal income tax credit for residents paying taxes in another state upon income from business or rentals.

By Senator Berger; cosponsored by Representative Wahner, by request of Mr. William Gardiner.

To Joint Survey committee on Tax Exemptions.

COMMITTEE REPORTS

The committee on Commerce reports and recommends:

Senate Bill 104

Relating to length and load limitations for auto carriers.

Passage:

Ayes, 5 -- Senators Parys, Berger, Swan, Keppler and Petri;

Noes, 2 -- Senators Goyke and Bidwell.

Assembly Bill 107

Relating to eliminating the requirement that the state airport system include at least one airport in each county.

Concurrence:

Ayes, 7 -- Senators Parys, Berger, Swan, Keppler, Goyke, Bidwell and Petri;

Noes, 0 -- None.

Assembly Bill 480

Relating to the number of passengers in a motor vehicle operated by a person with an instructional permit.

Concurrence:

Ayes, 6 -- Senators Parys, Berger, Goyke, Keppler, Bidwell and Petri;

Noes, 1 -- Senator Swan.

Assembly Bill 523

Relating to state purchasing requirements and creating a council on small and minority business opportunities.

Concurrence:

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Ayes, 6 -- Senators Parys, Berger, Swan, Goyke, Bidwell and Petri;

Noes, 0 -- None.

Assembly Bill 724

Relating to permitting banks located on land surrounded by outlying waters to establish bank stations within 3 miles of other banks or branches across the outlying waters but within the same municipality.

Concurrence:

Ayes, 7 -- Senators Parys, Berger, Swan, Goyke, Keppler, Bidwell and Petri;

Noes, 0 -- None.

Senate Bill 276

Relating to maximum finance charges in retail installment sales of motor vehicles.

Introduction of senate amendment 2:

Ayes, 7 -- Senators Parys, Berger, Swan, Goyke, Keppler, Bidwell and Petri;

Noes, 0 -- None.

RONALD G. PARYS

Chairman

The joint committee on Employment Relations reports and recommends for introduction:

Senate Bill 480

Relating to legislation required to implement the 1977-79 compensation plan proposals of the director of personnel, granting rule-making authority and making an appropriation.

By request of Governor Lucey.

Introduction:

Ayes, 6 -- Senators Dorman, Bablitch and Risser, Representatives Johnson, Wahner and Jackamonis;

Noes, 2 -- Senator Krueger, Representative Shabaz.

Read first time and referred to committee on Senate Organization.

Senate Bill 481

Relating to the amount of group life insurance available to certain members of the university of Wisconsin system faculty and academic staff employer contributions for the health insurance premiums of certain state employes.

By request of Governor Lucey.

Introduction:

Ayes, 7 -- Senators Dorman, Bablitch, Krueger and Risser, Representatives Johnson, Wahner and Jackamonis;

Noes, 1 -- Representative Shabaz.

Read first time and referred to committee on Senate Organization.

FRED A. RISSER

Senate Chairman

ED JACKAMONIS

Assembly Chairman

PETITIONS AND COMMUNICATIONS

Senate Petition 88

A petition by 62 residents of the state of Wisconsin in support of Assembly Bill 87 and Senate Bill 68, "prohibiting the shooting of bear near a garbage dump", and Assembly Bill 88 and Senate Bill 69, "prohibiting the baiting of bear and using dogs to hunt bear."

By Senator Harnisch.

Read and referred to committee on Natural Resources. and Tourism.

Senate Petition 89

A petition by 115 Wisconsin residents urging the legislature to reject the Norquist-Maurer amendments to the general property tax relief formula.

By Senator Sensenbrenner.

Read and referred to joint committee on Finance.

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State of Wisconsin
Claims Board

June 20, 1977

Don Schneider
Senate Chief Clerk
State Capitol
Madison, Wisconsin 53702

Dear Mr. Schneider:

Enclosed is the report of the State Claims Board covering claims heard on May 23, 1977.

The amounts recommended for payment under \$1000 on claims included in this report have, under the provisions of s. 16.007, Wisconsin Statutes, been paid directly by the Board.

The Board is preparing the bill(s) on the recommended award(s) over \$1,000, and will submit such to the Joint Finance Committee for legislative introduction.

This report is for the information of the Legislature. The Board would appreciate your acceptance and spreading of it upon the Journal to inform the members of the Legislature.

Sincerely,
EDWARD D. MAIN
Secretary

BEFORE THE
CLAIMS BOARD OF WISCONSIN

The Claims Board conducted hearings at the State Capitol Building, Madison, Wisconsin, on May 23, 1977, upon the following claims:

<i>Claimant</i>	<i>Amount</i>
1. Leo Fahey-----	\$ 600.00
2. Lakeside Bridge and Steel Co.-----	21,505.07
3. Allan Hafeman-----	24.00
David Speerschneider -----	24.00
4. National Liberty Corporation-----	40,628.54
5. W. R. Gustin & Associates, Inc. -----	27,992.49
6. Linda Bonner-----	153.92
7. Clifford Church-----	1,300.00

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In addition, the following claims were considered and decided without a hearing:

8. Richard Terlikowski-----	\$	9.31
9. J. L. Marcus Company-----		199.94
10. City of Delafield-----		1,909.92
11. Nancy J. Wagner-----		108.35
12. David Dailey-----		390.00

THE BOARD FINDS:

1. *Leo Fahey*

Leo Fahey, Madison, Wisconsin, claims \$600 for reimbursement of legal fees expended in relation to his position as administrator of elections for the State Elections Board. Claimant agreed to a stipulation which settled his differences with the State Elections Board, resulting in his personnel file being purged of any disciplinary action associated with his employment and reimbursement for earnings lost due to suspensions without pay. Claimant is now retired from service. The Claims Board concludes that the stipulation ordered October 18, 1976, by the State Personnel Board disposed of all matters relating to this incident, and that the State of Wisconsin is not legally liable for the payment of claimant's attorney fees, and further concludes that such fees should not be paid by the state on equitable principles.

2. *Lakeside Bridge and Steel Co.*

Lakeside Bridge and Steel Co., Milwaukee, Wisconsin, claims \$21,505.07 for additional cleaning and painting required to complete the Mason Street Bridge in Green Bay on December 4, 1975, to the present time which claimant asserts was necessitated by actions taken by the state beyond the scope of claimant's original obligations under its contract. The Department of Transportation asserts that the work performed by claimant was required under the original contract, and disputes the claim should be viewed as additional compensation. Although claimant received extensions of time from the state to complete its contract, nothing in the record indicates the state ever acknowledged liability for extra compensation for this particular work, although the record is clear that claimant continuously sought such extra compensation. There is also evidence that claimant helped to contribute to the delay because of the manner in which shop drawings were submitted for approval. The Board concludes the claim is not one for which the state is legally liable, nor one which the state should assume and pay on equitable principles. (Member Parsons dissents.)

3. *Allan Hafeman and David Speerschneider*

Allan Hafeman and David Speerschneider, both of Madison, Wisconsin, claim \$24.00 each for reimbursement of fees paid to the Camp Randall Memorial Sports Center for the current semester at the University of Wisconsin in Madison. Claimants are state employees who paid \$40 each for the use of the facility when employees of the University of Wisconsin paid only \$16 for the same purposes, and base their claim on this difference of treatment. The Claims Board concludes such a policy is within the jurisdiction of the Board of Regents for the University of Wisconsin System, and concludes the claims are not ones for which the state is legally liable nor ones which the state should assume and pay on equitable principles. (Member Main dissents.)

4. *National Liberty Corporation*

National Liberty Corporation, Valley Forge, Pennsylvania, claims a refund of \$34,266.92 for premium tax payments paid to the State of Wisconsin pursuant to sec. 201.42(11) (a), Stats., plus interest of \$6,361.62 computed through January 31, 1977, plus interest at \$4.69 per day until paid. Payments were made on February 26, 1971; February 29, 1972; February 22, 1973; April 3, 1973; February 25, 1974; and April 9, 1975. This claim was filed on February 9, 1977, within six years of the first payment for which refund is sought.

Section 201.42(11)(a), Stats. (1969), was found unconstitutional by the Wisconsin Supreme Court in a case involving the claimant: *National Liberty Life Ins. Co. v. State*, 62 Wis.2d 347, 215 N.W.2d 26 (1974), *cert. denied*, 421 U.S. 946 (1975).

Section 76.37(2), Stats., provides a remedy for claimant to seek a refund which claimant did not pursue. However, in the case of *New York Life Ins. Co. v. State*, 192 Wis. 404, 211 N.W. 288 (1927), it was said that this remedy was not exclusive and did not bar an action under ch. 285, Stats., saying at 192 Wis. 409:

“ . . . Sec. 76.37 of the Statutes gave the plaintiff an optional remedy that was barred after the expiration of six months. But that statute expressly reserves to the plaintiff the right to pursue its remedy under ch. 285 of the Statutes, as it has done in this case.”

Chapter 285 relates to actions against the state, and requires consideration by the Claims Board as one of the necessary steps for a claimant to pursue in seeking relief. No substantive changes have

occurred in sec. 76.37 since the *New York Life* interpretation. Chapter 285 does not relate to actions commenced by the Attorney General. It is not clear why the word "subsection" was substituted for the word "act" in sec. 76.37(4), by ch. 562, Laws of 1961, approximately 34 years after the *New York Life* interpretation.

Claimant paid the \$34,266.92 under the threat of not being able to continue in business in Wisconsin. At all times claimant was challenging the constitutionality of sec. 201.42(11)(a), demonstrating a resistant attitude even though it felt compelled to pay until the litigation had been fully consummated. Under such circumstances the Claims Board does not find the payments were voluntary so as to preclude a refund.

However, this Board finds no basis for recommending payment of interest, and concludes that the claimant should be refunded its premium tax payments only in the amount of \$34,266.92.

5. *W. R. Gustin & Associates, Inc.*

W. R. Gustin & Associates, Inc., claims \$27,992.49 resulting from its subrogation rights through its payment of said amount to the West Bend Marine Bank on February 4, 1976. The claimant submits that it entered into insurance premium financing arrangements with Koral Sales, Inc., which were assigned to said bank, and as a result of the payment, claimant subrogated to any rights in favor of the bank and against Koral Sales, Inc.

On January 21, 1976, March 8, 1976, and May 12, 1976, claimant had notified the State Commissioner of Insurance of what it considered to be an assignment of "loss payments" due Koral Sales, Inc., pursuant to insurance policies of the Interstate Insurance Company which was in liquidation under ch. 645, Stats. On March 25, 1976, the State Commissioner of Insurance paid \$78,243.17 to Koral Sales, Inc., retaining \$6,865, and allegedly damaging claimant in the sum of \$27,992.49.

The amount paid to Koral Sales, Inc., was from a security fund established under ch. 646, Stats., administered by the State Commissioner of Insurance in a fiduciary capacity. Pursuant to sec. 646.02(5), Stats., "the rights of creditors shall be solely against the assets of the fund." Claimant's rights, if any, should be asserted under the procedures provided in ch. 646, and it appears that claimant never made a claim against said fund as provided.

The Board concludes the claim is not one for which the state is legally liable nor one which the state should assume and pay on equitable principles.

6. *Linda Bonner*

Linda Bonner, Superior, Wisconsin, claims \$153.92 for damages to her car when driving over Arrowhead Bridge on September 25, 1976. She was ordered off the bridge rather than being allowed to fix a flat tire on the bridge, causing damage to her vehicle's rim and tire. However, the Department of Transportation is subject to marine regulations which preclude the possibility of allowing such nonmoving vehicles to remain on the bridge. The Board concludes the claim is not one for which the state is legally liable, nor one which the state should assume and pay on equitable principles.

7. *Clifford Church*

Clifford Church, Iron Mountain, Michigan, claims \$1300 for damages to his motor vehicle caused by a foster child placed in his home by Florence County. Placement was not made by the State of Wisconsin. Since the child was not in the custody or guardianship of the state, there is no basis for the state being liable on legal or equitable principles, and the claim is denied.

8. *Richard Terlikowski*

Richard Terlikowski, Onalaska, Wisconsin, claims \$9.31 for the replacement of a watchband damaged in a scuffle on September 6, 1976, while claimant was questioning a speeder in the line of his duty as a state trooper. The Board concludes the claim should be paid on equitable principles.

9. *J. L. Marcus Company*

J. L. Marcus Company, Milwaukee, Wisconsin, claims \$199.94 for clothing purchased with voucher blanks stolen from the Milwaukee office of the Division of Corrections of the Department of Health and Social Services. There is no showing of negligence upon the part of officers, agents or employes of the state, and the Board concludes the claim is not one for which the state is legally liable nor one which the state should assume and pay on equitable principles.

10. *The City of Delafield*

The City of Delafield claims \$1,909.92 for payment of aids under sec. 30.79(5), Stats., for its municipal water safety patrol program in 1975. The claimant failed to meet the statutory requirements which would entitle it to receive aid, not having made

its application for aid until February 12, 1976. The Legislature has established a cutoff date to allow for the completion of the audits necessary to distribute the \$200,000 of limited state aids available for this purpose. Those who had timely applications on file received their pro rata share of the \$200,000 in April of 1976, and payment of this claim now would defeat the legislative intent of limiting expenditures for this purpose to \$200,000. The claimant was aware of the statutory requirement as to when applications had to be filed, but asserts its failure to timely file because of extenuating circumstances. Although the filing deadline had been extended for two months, the press of other duties caused the city clerk to delay filing the application in a timely manner. The Board concludes the claim is not one for which the state is legally liable, and a majority of the Board (Main and Roberts dissenting) conclude the claim should not be paid on equitable principles.

11. *Nancy J. Wagner*

Nancy J. Wagner, Milwaukee, Wisconsin, claims \$157.35 for damage to her person as the result of falling into a hole at the Long Lake Campground on July 13, 1975. The hole originally was for a sign post and should have been filled in when the post was removed. Since claimant has received \$49 of the expenses related to her claim from her insurance carrier, the Board concludes the balance of \$108.35 should be assumed and paid by the state on equitable principles.

12. *David G. Dailey*

David G. Dailey claims \$390 for clothes, a sleeping bag and a tee pee which were lost in transit on or about April 22, 1976, when claimant was picked up in Texas by his probation officer for being in violation of his parole. Claimant was told to check these belongings prior to flying back to Wisconsin. The airline claims they were delivered to the Dane County jail, where claimant was in residence, and refuses any responsibility for their loss. The Dane County jail asserts that these items were never delivered with claimant's backpack. Since the claimant was in custody and handcuffed before boarding the airplanes, it was reasonable to have the items checked with the airline. The Board concludes the loss of these items was not due to the causal negligence of any officer, employe or agent of the State of Wisconsin, and concludes the claim is not one for which the state is legally liable nor one which the state should assume and pay on equitable principles.

THE BOARD CONCLUDES:

1. The claims of the following named claimants should be denied:

Leo Fahey
Lakeside Bridge and Steel Co.
Allan Hafeman
David Speerschneider
W. R. Gustin & Associates, Inc.
Linda Bonner
Clifford Church
J. L. Marcus Company
City of Delafield
David G. Dailey

2. Payment of the following amounts to the following claimants is justified under sec. 16.007(6), Stats.:

Richard Terlikowski-----	\$ 9.31
Nancy J. Wagner-----	108.35

THE BOARD RECOMMENDS:

Payment of \$34,266.92 to National Liberty Corporation for refund of premium tax payments paid to the State of Wisconsin pursuant to sec. 201.42(11)(a), Stats., which law was declared unconstitutional by the Wisconsin Supreme Court in the case of *National Liberty Life Ins. Co. v. State*, 62 Wis.2d 347, 215 N.W.2d 26 (1974), cert. denied 421 U.S. 946 (1975).

Dated at Madison, Wisconsin, this 20th day of June, 1977.

GERALD D. KLECZKA
Senate Finance Committee

VIRGIL D. ROBERTS
Assembly Finance Committee

EDWARD M. PARSONS
Representative of Governor

EDWARD D. MAIN
Representative of Secretary of
Administration

ALLAN P. HUBBARD
Representative of Attorney
General

EXECUTIVE COMMUNICATIONS

State of Wisconsin
Office of the Governor
Madison, Wisconsin

June 28, 1977.

To the Honorable, the Senate:

The following bills, originating in the senate, have been approved, signed and deposited in the office of the Secretary of State:

Senate Bill	Chapter No.	Date Approved
77 (partial veto)	----- 29 -----	June 28, 1977

Sincerely,
PATRICK J. LUCEY
Governor

State of Wisconsin
Office of the Governor
Madison, Wisconsin

June 28, 1977.

To the Honorable, the Senate:

I have approved Senate Bill 77 as Chapter 29, Laws of 1977, and deposited it in the office of the Secretary of State.

Senate Bill 77 is a budget in which the executive and legislature can take great pride. It enhances and consolidates the reforms of the last six years without an increase in any state-administered general tax. It is very much in the progressive tradition of Wisconsin government and it adds to our reputation as one of the most forward-looking of the fifty states.

When I signed the 1975-77 budget two years ago, we faced bleak economic circumstances. Conditions are much different today, especially in Wisconsin. The general trend in the national economy is good, and in Wisconsin we are nearly at full employment. Because of the decisions of the last six years, including those in this budget, Wisconsin can look forward to a period of sustained prosperity.

One result of that prosperity will be pressure for increased state spending. If those pressures are resisted over the next two years, Senate Bill 77 will provide the basis for sound fiscal management, while creating the very real possibility of yet another no-tax-rate-increase budget in 1979-81.

The first test of your resolve to avoid a tax increase will come this week, when consideration is given to the vetoes I have exercised in signing Senate Bill 77. For as laudable as this budget is, unless several crucial vetoes are sustained it contains the almost inevitable pressure for higher taxes in 1979-81. I urge the legislature to resist the temptation to dole out benefits now which will later undermine the record of fiscal responsibility.

The last six years have demonstrated that it is possible to have progressive and humane government without sacrificing fiscal responsibility. Though the austerity of the last few years was the direct result of difficult economic circumstances, it is my strong belief that austerity should become a continuing feature of Wisconsin state government. It is essential that the budgetary discipline that has been forced upon us not be lost as state revenues increase.

Local governments and special interest groups will never be satisfied with their share of state revenues, no matter how much those shares might grow. This budget demonstrates conclusively that it is possible to resist the pressures for more and more spending and still produce a budget that improves the lives of our people and quality of our government.

During the last six years our state's economy has made remarkable progress. There has been steady growth in private employment in Wisconsin, while public employment has grown much slower. Our national tax ranking fell from first to seventh. We avoided the worst effects of a national recession while bucking the regional trend of economic decline. That progress would not have been possible without job-producing business tax reform and tough budgetary decisions.

The budget for 1977-79 builds on this six-year record of achievement. It will result in a continued level of high quality public services. And it will provide a strengthened Wisconsin economy, and a fairer tax system, to support those services. In that regard, four measures in the area of revenue policy stand out as particularly significant.

First, there is the renewed commitment to phase out the inequitable and arbitrary inventory and livestock tax. Every citizen in Wisconsin will benefit from this decision, because, as the legislature has recognized, it is much more than simply a new "tax break". The phase out of this tax will strengthen the state's economy, just as it will introduce a new element of fairness into the tax system. Farmers, merchants, manufacturers, and the citizenry in general will be grateful for this achievement.

Second, the 1977-79 budget includes the largest dollar expansion of the Homestead Tax Credit program in its history. The liberalized program will provide \$81.8 million in new dollars to low and moderate income citizens in Wisconsin. The average credit will increase to \$260 from \$205 today. This reform will assure that Wisconsin has the most progressive income tax in the country for low and moderate income families; its effect will be to eliminate any state income tax liability for a family of four earning less than \$8,024.

Third, the budget provides for more than a 20 percent biennial increase in shared revenue payments to municipal and county governments. The increase amounts to more than \$100 million in new financial aid to cities, towns, villages and counties. This unprecedented infusion of new aid assures that Wisconsin will continue to provide more assistance on a per capita basis to local governments than any state in the country.

Fourth, the budget includes a farm preservation and tax relief provision which may become a model for other states. Much of the credit for this proposal goes to the hardworking and persevering members of the Senate and Assembly who developed a balanced program that carefully addresses the needs of rural and urban Wisconsin. It is now the responsibility of future governors and legislatures to preserve that balance; if they do, the result will be a program which ensures that the agricultural land of our state will be preserved.

These four programs symbolize the balanced objectives of economic development, tax progressivity, sound planning, and local government assistance which have characterized the state's revenue policy during the 1970's.

Senate Bill 77 reinforces the state's strong commitment to education at all levels. At the end of the biennium, state support for elementary and secondary education will have grown to more than 40 percent, the highest level in the history of our state. In

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absolute dollar terms this new commitment represents an increase of \$205 million over the 1975-77 biennium. The budget continues full 70 percent funding of educational services for the handicapped, at a total cost of \$172.3 million, an increase of \$55.5 million.

State aid for vocational, technical and adult education is increased by \$21 million over the last biennium to 35 percent of total cost, the highest percentage in history. In addition, the budget requires increased consideration of women and minorities in the appointments made to local VTAE boards. Accountability of those boards also is enhanced by a requirement that any construction requiring bonding in excess of \$500,000 be subject to a referendum.

The budget provisions relating to higher education affirm our commitment to one of the world's leading institutions of learning. An enrollment funding formula gives the university system the flexibility it needs to react to increases or decreases in the number of students seeking admission in any given year. Funding for a new faculty development program will revitalize the teaching skills of U.W. faculty and retrain faculty to meet the changing needs of students.

Senate Bill 77 increases the amounts available for medical and dental education and for grants to minority students. Equally important, the budget provides for a revenue bonding program to assure a sound and stable funding source and repayment plan for student loans.

Few sections of this budget contain more sweeping reform than those dealing with transportation. And, due largely to the involvement of the legislature, these reforms will be accomplished with no increase in cost to the general motoring public. The transportation package in this budget will enable to chart a responsible course for the future well-being of all Wisconsin citizens.

The budget provides a major investment of dollars into the existing road and bridge network; essential new projects are included, but the emphasis is no longer on more and more new concrete.

The budget provides a true transportation fund to replace the old highway fund. In 1977-79, all mass transit assistance will come from this fund, as will new aid programs for the elderly and the handicapped.

The archaic and outdated highway aid formula is scrapped by this budget and replaced with an up-to-date method of allocating aid on the basis of true local need.

Finally, the budget authorizes a reorganization of a transportation department so it can respond to the needs of an energy-short state as it copes with the harsh reality of critical transportation issues.

The budget bill makes historic changes in our laws relating to the construction of health care facilities and the licensure of medical services. For the first time, there will be a mechanism to control the overbuilding and overutilization of health facilities which do so much to inflate the cost of health care. The certificate of need and service licensure provisions in Senate Bill 77 are among the strongest in the country. The bill also will make it much more difficult for health care providers and the recipients of medical assistance to abuse the state's generous program of benefits.

There are substantial increases in funding for mental health and community social services, as well as an inovative program to provide the state's elderly citizens with expanded nutrition services, additional assistance in the building of senior citizens centers, and new access to home health care services.

The budget also provides a much needed infusion of resources into our correctional system, with the emphasis on expansion through the purchase of existing property. Bringing our correctional problems under control is certain to be a long and difficult process; the budget provisions constitute only the first step in that arduous and painful course.

The reorganization of the Department of Industry, Labor and Human Relations will bring new accountability and efficiency to that important part of our government. The reorganized department will be better managed under a secretary who serves at the pleasure of the governor, who in turn must be responsive to the people of Wisconsin. The newly created Labor and Industry Review Commission should provide a higher quality of justice to those involved in Unemployment Compensation, Workers Compensation and Equal Rights disputes.

Similarly, the uniform fee schedules and budgetary changes instituted within the Department of Regulation and Licensing are an important element in the ongoing effort to make that agency the

servant of all the people of Wisconsin, rather than an outpost for well organized professional groups.

The budget bill also strengthens the state's commitment to protecting and developing our natural resources. The assumption by the state of responsibility for funding environmental protection efforts that had formerly been paid for by the federal government is testimony to our firm and lasting resolve that Wisconsin's air and water must remain clean.

The new industrial environmental user fee and trout stamp programs provide an equitable and predictable means of funding essential natural resource related activities.

The legislative initiative to provide funding for a state sewage treatment grant program will help local communities to meet the requirements of state and federal law.

Finally, the budget takes a long step toward achieving the goal of equal justice under the law. The statewide legal defender program will guarantee competent legal representation to the poor while providing some needed property tax relief at the county level.

While there is much in this budget that will improve the quality of life in Wisconsin, it also contains provisions which I believe are inconsistent with our state's current and future interests.

I am especially concerned with changes in state/local fiscal policy which I believe undermine the record of equity and accountability which has been shaped during the 1970s. Too many of these changes are premised on false assumptions, including:

-- the false assumption that the state with the most generous local assistance program in the nation is somehow "shortchanging" local government.

-- the false assumption that Wisconsin's dramatic economic turnaround in this decade has somehow come at the expense of local governments, when they are in fact the prime beneficiaries.

-- the false assumption that elected officials in Madison, who levy most of the funds spent by local officials, have no right to impose flexible restraints on local spending.

It is because I refuse to accept these implausible assumptions that I have vetoed several of the fiscal policies included in Senate Bill 77. I urge the legislature not to undo the progress which has been achieved in this decade. To do so would only fuel more efforts

by those who benefitted from the discredited fiscal policies of the past. To do so would create unwarranted pressure for unnecessary tax increases.

The net effect of all of the partial vetoes of Senate Bill 77 is to eliminate \$11.5 million in added spending for 1977-79. If the vetoes are not sustained, the effect in the following biennium will be to raise expenditures by \$50.5 million. The largest single savings results from the elimination of the new fifty percent machinery and equipment reimbursement. The cost of the reimbursement provision alone is approximately \$37 million between now and June 30, 1981. That is an unconscionable price, particularly when the state already devotes more than two-thirds of its general tax revenue to local assistance and property tax relief.

Equally unacceptable is the provision in the budget which repeals the limits on local government tax levies, which have done so much to ensure that increased state aids to localities achieve their purpose -- diminishing reliance on the property tax. To abolish levy limits now is to abandon the progress we have made over the last six years in making our tax system more equitable while assuring that local governments have the revenue they need to provide essential services. We have now reached the point where state aids are the largest source of revenue for local governments. This is surely not the time to remove an effective and legitimate restraint on property tax growth.

Finally, I want to reiterate my firm conviction that the budget for 1979-81 need not include a tax increase if the legislature will act now to limit expenditures for the coming biennium. I believe that is a goal which is far more valuable than any short-run advantage which might be gained by attempting to satisfy the demands of local governments for more and more state funds.

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I. Tax Policy and Local Assistance

I-A. Levy Limit Repeal

Sections 6d, 674p, 680p, 684p, 687r, 732, 766p, and 893 eliminate the county and municipal property tax levy limit program. I have exercised my partial veto of these sections to retain this program.

During the two years in which the limits have been a part of the state/local fiscal system, county and municipal mill rates have dropped by 3.7 percent. Retention of levy limits, coupled with expanded state payments to local governments, will allow the continuation of this trend.

Those who have criticized the levy limit program assert that it has 2 flaws: 1) it is too restrictive; and 2) it is an unwarranted use of state authority. I would make the following comments:

1) The experience of the last two years has shown that the program is flexible enough to accommodate the needs of towns, villages, cities and counties in Wisconsin. In 1976, for example, local units used only 40.3 percent of their allowable increase. In instances where limits were restrictive, the taxpayer referendum option was available to exceed the limits. In the last two years, large and small communities have taken advantage of this referendum option, and in the majority of cases (29 of 52) voters approved the referenda.

2) The Legislature has enacted several exemptions, which provide considerable flexibility to the program. These include exemptions for:

- a) principle and interest on general obligation borrowing
- b) above-average population growth
- c) court orders
- d) pollution abatement costs
- e) costs incurred because of natural disasters
- f) costs of assuming new services

3) The levy limit program would become even more flexible beginning in 1979. In that year and thereafter, *all* growth in shared revenue payments will be exempt from the limits. This will allow local officials considerable additional latitude in making local budget decisions; it certainly negates the criticism that the limits are somehow too restrictive.

4) During the last six years state aid to local government has surpassed the property tax as the major local revenue source. In other words, most of the money spent by local elected officials is now levied in Madison by state elected officials. These high levels of state aid - the highest in the *entire* nation - are designed to stabilize the property tax. With those facts in mind, it is not unwarranted for the state to attempt to assure that its massive tax relief effort achieves real tax relief. It would be especially ironic to repeal the levy limit program as part of a budget bill which provides an unprecedented increase in shared revenues and road aids. At a time when the state is assuming greater responsibility for financing local services, the limits are more appropriate than ever.

5) It also should be emphasized that the state provides more aid, proportionately, to local governments than it does to school districts. Certainly, in that light, the argument for retaining levy limits is as strong as it is for retaining school cost controls, which the Legislature has wisely done.

6) Levy limits are not new, either to Wisconsin or to most other states. The vast majority of states have levy limits, just as Wisconsin has for many years (although the previous limits had little impact). The law enacted two years ago has encountered opposition not because it is *unwarranted*, but because it is *effective*.

7) In addition to limiting property tax increases, levy limits prompted unexpected but welcome changes in the finance procedures of some smaller municipalities. Since 1941, Wisconsin law has required all counties and municipalities to publish and adopt budgets as a way of assuring proper citizen input into the budget-making process and to encourage basic financial planning. Many towns and smaller villages, however, have continued to operate with extremely crude budget procedures - and compliance aspects of the levy limit law has forced these communities to significantly upgrade their fiscal procedures.

I-B. M and E 50 Percent Reimbursement

Sections 366k, 446, 776m, 782g, 782r, and 1657(38) (o) create a manufacturing machinery and equipment (M & E) reimbursement program based on 50 percent of the value of exempt M & E multiplied by the local tax rate. I have exercised my partial veto to remove this proposal and to retain the current reimbursement program.

During the debate on the M & E issue, it has been discouraging to hear local officials support the state's economic development efforts at the same time that they are unwilling to help finance those efforts. This is troubling because local governments are the prime beneficiaries of a sound economy, and that is exactly what Wisconsin has achieved in the last several years. To state that the M & E program has caused local tax "losses" is to completely ignore the major economic dividend which has resulted from our investment in sound business tax relief. The fact that Wisconsin is virtually at full employment - a stark contrast to the rest of the nation - should help put this bogus "loss" theory in proper perspective.

Not only do local governments benefit from a stable employment and tax base, but they also benefit from the higher state aid that results from economic growth. Just last week it was reported that Wisconsin continues to provide more per capita aid to local governments than any state in the country. Our ability to do so is obviously a direct result of a healthy economy, for it is that sound economy which generates the revenue we share with local governments. This fact must be kept in mind as the Legislature appraises the "loss" which local officials assert they have suffered.

The proposed reimbursement program in SB 77 represents a new state payment program which will distribute millions of dollars annually to counties and municipalities, largely on the basis of the location of exempt M & E property. Other state aid programs, such as shared revenues, school aids, and general property tax relief, also distribute large amounts each year. The current exemption of M & E automatically gives industrialized communities an advantage with regard to receipt of state funds from existing aid programs, because the M & E exemption reduced their tax base relative to other communities. Thus, the places that are already getting larger school aid, shared revenue, and other payments because of the exemption would be the major winners under this proposal. These gains would come at the expense of the state's nonindustrial communities.

A second consideration is the cost of the reimbursement program. The program would cost about \$8 million in the current biennium and would be substantially higher in future biennia (\$29 million in 1979-81, for example). Those who favor this reimbursement program should be asked to explain where the money will come from to finance the rapidly escalating costs. Such large sums must eventually come from higher taxes.

By vetoing these sections, most of the current M & E reimbursement payments to affected communities. This approach cushions local governments from sudden or unanticipated fiscal impacts of the M & E exemption, but also recognizes the long range reimbursement effect of shared revenues, school aids and other state payments benefitting communities with large amounts of exempt M & E. Because the program will be phased out by 1984, the problem of overcompensating industrialized communities at the expense of other part of the state is resolved.

Estimated Fiscal Impact: Increase General Purpose Revenue in 1977-79 by \$7.995 million.

I-C. Homestead - Elderly Income Factor

Section 792m provides a special \$600 deduction for Homestead claimants who are over age 65 or who have elderly spouses or dependents. I have vetoed the language to allow the \$600 deduction for *all* Homestead claimants, regardless of age, who have either a spouse or dependent. In this way the program will not discriminate on the basis of age, a factor which does not, in and of itself, create greater or lesser financial need. The vetoed language will recognize family size for the first time in the Homestead program. It is a desirable change that should be made now that the program has been dramatically expanded by the budget.

Estimated Fiscal Impact: Increase program costs by \$4.0 million in 1977-79.

Homestead - Data Requirements

Section 799d provides that municipality and school district codes be added to all Homestead forms. The municipality data is useful and should be collected. Because the collection of the information is costly and complicates the Homestead return, I have stricken this requirement. During the last two years, school district information has been collected, but has not proved useful in public policy analysis. A Legislative Council committee considered the use of this data for school aid purposes, but rejected the concept.

I-D. Town Veto of Exclusive Agricultural Zoning

Section 982m would permit a majority of towns in certain counties to reject an exclusive agricultural use zoning ordinance after adoption by the county board. I have vetoed this provision.

The ability of a majority of towns to reject an exclusive agricultural use zoning ordinance would severely hamper effective land use provisions that would protect prime agricultural lands in

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rapidly urbanizing counties. This would also allow a minority of residents in a county to override the will of the majority-and prevent otherwise eligible farmers from participating in this tax credit program.

This veto retains the original provisions developed in the Senate, which are as follows:

1) in counties with more than 75,000 population, or counties adjacent to counties with more than 400,000 population, no town veto over an exclusive agricultural zoning ordinance;

2) in all other counties, current law provisions regarding town vetoes would apply.

Agricultural Lands Preservation Board

Section 33 creates an agricultural lands preservation board to make certain decisions regarding the new farm tax relief program. As adopted, the board would consist of 6 members: the secretaries of administration, local affairs and development, and agriculture; the executive secretary of the board of soil and water conservation districts; and 2 owners of farmland eligible for inclusion in the program.

There are two serious drawbacks to this membership alignment:

1) It makes no provision for public membership from other than the agricultural community. Clearly, the successful implementation of this program requires a broader range of public involvement to assure representation of those who will pay most of the cost of the program.

2) The number of members (six) creates the undesirable prospect of tie votes.

For these reasons I have vetoed this section to restore the makeup of the board to that provided for in SSA 2 to SB 77: the three secretaries previously referred to (with the Secretary of Agriculture as chairperson) and two public members appointed by the Governor. This will create a board of appropriate size, and one that can more fairly represent the broad range of citizen interest in the success of this program.

I-E. General Property Tax Relief

Sections 907, 907c and 907m modify the general property tax relief (GPTR) program to include personal income as a factor in determining a community's allocation. The main supporters of this change have been in the forefront of implementing some of the

most progressive policy reforms in SB 77. Their forward-thinking goals are reflected in this GPTR change, but I nevertheless believe that this provision must be vetoed. I have done so for the following reasons:

1) The personal income of a community's residents is not an accurate way of measuring the real income available to pay property taxes in that community. This is because it does not include corporate income, or income of those who own property but do not live in the community. Some communities have a great deal of income which is *excluded* as a result of counting only personal income. Thus, the partial income factor included in SB 77 does not result in a sound measurement of ability-to-pay property taxes.

To illustrate this flaw, consider the inequity that would result if only corporate income were included in the GPTR formula. That would correctly be criticized as being a partial and misleading income indicator; the same criticism applies to use of only personal income.

In part because of this concern, a special Legislative Council committee has recommended against using a personal income factor in the school aid formula. The committee's concerns are equally applicable in this instance.

2) The laudable goals of this amendment's sponsors are being addressed more effectively through state aid programs which are being expanded substantially in SB 77.

Specifically, the shared revenue and school aid reforms of this decade have succeeded in greatly reducing the tax rate disparity between central city and suburban residents. The tax rate in Milwaukee has declined more than 20% since 1970; this is more than twice as fast as suburban tax rates have changed (in some cases it is four or five times as fast).

The 1977-79 budget includes an unprecedented increase in shared revenue and general school aid payments; these increases will further the progress already achieved in reducing urban-suburban tax rate disparities.

3) The goal of relating income to property tax bills is best achieved through payments to individuals. The major expansion of the Homestead program in SB 77 addresses this goal; it does so in a better way than using an income factor in GPTR, because that has the effect of helping both *wealthy* and *poor* taxpayers in communities which would benefit.

Likewise, in communities that lose, both wealthy and poor taxpayers would lose. The cost to the wealthy would be relatively small, but a \$100 or \$200 tax increase to a person of modest means could not be justified by this policy. This is especially true in light of the relatively small tax benefit (\$10 or \$20 to most homeowners) which would occur in gaining communities.

4) The general property tax relief formula should be closely scrutinized between now and the 1979-81 budget. If the formula is to be drastically changed in 1979-81, the Legislature should delay the introduction of a major new factor into the formula at this time.

I-F. Homeowner Improvement Tax Credit

Sections 366e, 748r, 767, 768, 910, 1643(1)(d), 1643(38)(c), 1646(3) and schedule establish a home improvement tax relief credit paid by the state. The objectives of this new program are laudatory, and the authors deserve much credit for developing the plan for budget consideration. While the issue is worth pursuing, I have decided to veto the specific elements of this plan. I do so with the hope that continued efforts will be made to develop a new proposal for future legislative consideration.

There are several reasons for this item veto:

1. The net effect of this proposal is to have the state subsidize, over a 5-year period, about 10% to 15% of the cost of qualifying home improvements. If the state wishes to embark on a direct subsidy of this kind, greater program control is needed to assure that the expenditures actually achieve the goals intended. For example, as structured in SB 77, little effort is made to restrict the subsidy to projects which otherwise might not be undertaken; thus, a potentially large expenditure of state dollars would be devoted to finance projects which would have been undertaken in any event.

2. Serious doubts regarding its constitutionality have been raised. These issues need further attention before a law should be approved.

3. The new state credit is not integrated with other state aid programs, such as school aids, shared taxes, property tax relief, and Homestead. It would be possible for an individual to receive a Homestead Credit for property taxes that were actually paid by the state. Also, under shared taxes, school aids, and general property tax relief, state payments to localities would be made against taxes paid by the state.

4. The program is not adequately based on ability to pay, because it includes no income test whatsoever. Such considerations must be included in any program that provides tax relief to individuals. Limiting the benefit to owners of homes valued at less than \$50,000 is not a sufficient test of ability-to-pay.

5. Severe administrative difficulties would be created both at the state and local levels. It is not clear how the state could adequately review all home improvement claims to assure that the cost of the program would be limited to the original intent.

6. The roll-back feature does not assure that required payments plus interest would be paid.

7. It is not clear that the program actually provides a worthwhile incentive to improve homes. Furthermore, the program could provide larger credits for less significant improvements. For example, a \$3,000 improvement to a \$20,000 house may be more significant than a \$3,000 improvement to a \$45,000 house. Yet under this program, the state credit could be the same or even higher for the more modest overall improvement.

8. There is a dangerous incentive for the value of homes to be attributed to improvements so that the tax burden is shifted to the state.

Estimated Fiscal Effect: \$2 million in increased costs in 1977-79 and \$9.5 million during 1979-81. The cost is estimated to steadily increase beyond that point to approximately \$18 million annually, once the program is totally implemented.

I-G. Real Estate Transfer Fee

Sections 842p, 842r and 1655 (38) (e) increase the rate of the real estate transfer fee from 10c to 20c per \$100 of real estate transferred. There simply is no need to double the state's revenue from this fee at this point in time.

Estimated Fiscal Effect: Reduction of general purpose revenues by \$11 million in 1977-79.

I-H. Fuel Tax Exemption for Taxicabs

Sections 881m and 1655(38)(a) create an exemption for taxicab companies from the motor fuel tax.

This exemption will achieve no other purpose than to increase the profits of companies who have an obvious responsibility to share in the financing of our road network. The estimated savings per trip of 2c to 3c surely will not be passed along to any customers; rather,

the \$600,000 loss will eventually have to be paid by the rest of the motoring public. I urge the Legislature to reject this special interest provision.

I-I. Utility Formula Distribution

Sections 897 and 899 increase utility tax distribution payments and establish a \$75,000 minimum payment to municipalities with large plants. I have vetoed some of the changes so as to recognize the need, as pointed out by the Joint Finance Committee, for higher aid to counties which have utility property in towns.

The result will be a 100% increase in payments to such counties. All municipalities will continue to receive the current payment of 3 mills (or \$75,000 in some communities). The resulting formula will recognize the need to expand utility payments, but will not go beyond reasonable levels.

In considering this veto, the Legislature should understand that approval of higher payments to cities and villages would cause reduced shared tax payments to other communities. That is because the higher utility payments would come not from the general fund, but rather from the shared revenue "aidable revenues" payment.

I-J. PPTR Excess Over 80 Percent Credit

Section 909 requires that one-half of any excess Personal Property Tax Relief (PPTR) payments be deposited in the municipal general fund, and that the remainder be used as a direct tax credit. I have exercised my partial veto to require that the entire amount of any such excess payment be used as a tax credit. This change will assure that all property tax relief funds made available to municipalities are, in fact, used for direct tax relief. Without this change, municipal governments with *no municipal levy* would nevertheless get state aid. These and other communities would receive aid based upon the tax levy of school districts and counties, and therefore such aid would have no relationship to municipal need. The approach I have recommended will insure that this money actually goes to property taxpayers in those communities, just as it has in the past.

I-K. Non-Profit Hospital Tax Exemptions/Residential Property

Under current law, residential property owned by non-profit hospitals is exempt from the property tax. Section 745m repeals that exemption, but only for dormitories which house less than 12 student nurses; it retains the exemption for those dorms housing 12 or more student nurses.

There is no reason to tax such property only when it houses less than 12 nurses. All such property should be taxable, so I have vetoed the section to restore its effect to that established by the Joint Committee on Finance, i.e., a total repeal of the current exemption.

I-L. Sales Tax on Mobile Home Sales

Sections 843, 851, 853, and 855 subject occasional sales of mobile homes to the 4 percent sales tax but allow an exemption for homes exceeding 45 feet in length.

I have exercised my partial veto to remove the exemption for mobile homes exceeding 45 feet because it would represent an arbitrary and inequitable tax break for one class of mobile homes. Without this veto, a mobile home 45 feet or longer would be subject to the tax if sold by a dealer, but not if sold by a private party. Thus, a sales tax exemption for occasional sales of larger mobile homes is not justified because it would result in the inconsistent treatment of similar transactions.

This exemption was inserted primarily because real estate sales are not subject to the sales tax. It was thus felt that certain mobile homes also should be exempt. However, it should be pointed out that real estate is exempt because the sales tax applies only to tangible personal property (and certain services). The material used in building a home is taxable to the contractor, and this tax is reflected in the retail price. A mobile home is personal property, not real property, and that is why the sales tax applies to such sales at retail. This does not create a disparity between real estate and mobile homes because, as pointed out above, the retail price of real estate improvements also will reflect the sales tax paid by the contractor.

Estimated Fiscal Effect: Increase GPR by \$200,000 in 1977-79.

I-M. Licensing of Juke Boxes and Other Coin-operated Amusement Devices

Sections 1260m and 1657(38)(L) require that each juke box or other coin-operated amusement device be licensed with the Department of Revenue at a fee of \$10 per unit and allow this fee to be used as a credit against sales taxes paid by the owner of such devices. I have exercised the partial veto in these sections to remove the licensing and fee requirements and to retain the current 4 percent sales tax on these devices. The proposed fee plan would result in no additional revenues to the state but would create

additional paper work for both the owners of such devices and the Department of Revenue. At a time when government should be seeking ways of reducing red tape and administrative costs as much as possible, this proposal is clearly a step in the wrong direction.

I-N. Tax Appeals Commission

SB 77 includes provisions expanding the membership of the Wisconsin Tax Appeals Commission from 3 to 5 and assigns additional duties to the Commission. Sections 815 and 1640 provide that 2 members of the body be assigned primarily to manufacturing property assessment appeal cases. I have exercised my partial veto to remove this requirement, because it would prevent the chairman from assigning members of the Commission to hear cases in accordance with the Commission's workload. Manufacturing property assessment appeals are seasonal in nature and the restrictive language being deleted would limit the Commission's flexibility in scheduling Commissioners to hear other cases during the balance of the year.

I-O. Occupational Taxes

Section 895 allows occupational tax revenues to be included as aidable revenues in the shared tax formula. The language has been vetoed, because there is no reason to provide a double-benefit to communities that receive occupational tax revenues. Without the veto a locality would be able to count the occupational tax as a locally raised revenue, even though it is a state tax, and it would be included in the measure of local tax effort. Thus, shared tax payments to these localities would increase at the expense of other local units of government. There is no basis for considering the state-imposed occupational tax as local tax effort, and its inclusion was not intended by the authors of the occupational tax proposal.

II. Transportation

II-A. Farm Trailer Definition

Section 1408m changes the definition of farm trailers that are eligible for reduced registration fees. The current definition requires the trailers to be used "exclusively" for the transportation of farm products from the owner's farm to market or for the transportation of supplies to the farm. The bill changes "exclusively" to "primarily." This could lead to abuse of farm trailer registration privileges and will make effective enforcement virtually impossible.

Reduced farm trailer registration fees are intended to assist farmers in the conduct of normal farm operations. This bill would

unnecessarily extend that privilege to nonfarm operations. (It should be emphasized the existing farm *truck* fees, as opposed to *trailer* fees, apply to vehicles used "primarily" for farming activities. This recognizes that a farm family may also use a farm pickup truck for personal purposes, such as shopping or traveling to church. The same reasoning does not apply to farm trailers.)

II-B. DOT Reorganization Requiring a Division of Highways

Section 919 requires that any reorganization of the Department of Transportation must include a Division of Highways. I am vetoing this provision, because mandating a particular division is inconsistent with using a flexible approach to transportation problems and organization.

The new departmental secretary should be free, as are most other agency heads, to structure the agency in the most efficient manner to serve the transportation needs in the state. Reorganization proposals prepared by the secretary are reviewed and approved by the Governor, and in this process adequate consideration will be given to the prominent role highways will continue to play in our transportation system. There should not be arbitrary restrictions which prevent the creation of a division which includes highways and other modes of transportation.

II-C. Appeals of Transportation Commission Decisions on Uninsured Motorists

Section 1463 allows uninsured motorists to appeal Transportation Commission decisions to the circuit court in their county of residence, rather than the Circuit Court for Dane County. I am vetoing this provision.

(Under present law an uninsured motorist involved in an accident may be required to deposit money with the Department of Transportation for payment of the reasonable costs of property damage and personal injuries to others, if there is a reasonable possibility that a judgment could be entered against the uninsured motorist. Failure to obtain a release of liability, or to make this required deposit, will result in the suspension of the uninsured motorist's operator's license.)

It is not unusual for the state to allow individuals filing petitions for judicial review of administrative rulings to do so in their county of residence, to aid in their ease of appeal. However, this practice should not be extended to cases involving uninsured drivers, who already receive hearings at the general expense of the insured

motoring public. It is estimated that this requirement would increase transportation fund expenditures by \$120,000 in 1977-79.

III. Elementary and Secondary Education

III-A. Special Adjustment Aids

Section 1092m of the budget bill would establish a new state aid program to reduce the effects of large changes in valuations and membership within a school district. I have vetoed a portion of this new program.

Equalization is the fundamental goal of school finance in Wisconsin. Its premises are justified and legally required in the state and federal constitutions. With the noteworthy achievements that have been made in Wisconsin, I am hesitant to approve the establishment of a new categorical aid that does not measure up to that goal. However, I recognize that sharp changes in membership and valuations can produce adverse effects that are a legitimate concern for school officials and taxpayers. The special adjustment aids, with the item veto I have made, will mitigate these concerns without upsetting the basic equity inherent in the school aid formula.

Special adjustment aids are designed to soften losses in *general aid* experienced by some districts. This is a legitimate concern. However, the special adjustment aids as written would allow districts to include their adjustment aids in computing future losses. For example, a district that receives \$500,000 in general aid in 1976-77 and is eligible for \$400,000 for each of the next two years, would receive \$50,000 in adjustment aid in the first year. In the following year, they would receive \$25,000 in adjustment aids even though there was no change in their general aid eligibility. In fact, they could receive adjustment aids even though their eligibility *increased* in the second year. Without the change I propose, the special adjustment aid program would be a permanent part of a school district's base for aid purposes, rather than providing for a legitimate transition where it is necessary.

III-B. Personal Property Tax Relief Transfer Aid

Sections 907n and 1092u establish a new state aid, related to the personal property tax phaseout, for school districts that receive no general state aid. I have vetoed the personal property tax relief transfer aid, because it is contrary to the equalization of school finance in Wisconsin.

School districts which would benefit under this proposal already have higher property tax bases than the state guarantees for most districts. Thus, this proposal gives an advantage to districts which already are able to spend more and tax less than the average district.

The money for this program would otherwise be paid statewide, distributed on the basis of personal property location. There can be no justification for transferring \$900,000 from these taxpayers to a relative handful of school districts.

III-C. Parity for Union High and K-8 Districts

Section 1086 provides a phase-in for general aid parity between UHS/K-8 districts and K-12 districts.

I have vetoed this phase-in period to provide immediate parity in state sharing with the UHS and K-8 districts under the general school aid formula. This was the proposal included in my budget recommendation. It is clear that the aid differential is not an incentive for further reorganization. Instead, the penalty may diminish educational quality in such districts.

Estimated Fiscal Effect: Reduce GPR by \$2.0 million in 1977-79.

III-D. Cost Control Formula

Sections 1122 and 1122m provide for two levels of school cost controls: 1) districts at or above the statewide average may increase their per pupil costs by 9.5%; 2) districts below the average may use 9.5% of the statewide average per pupil cost. I have vetoed these sections to provide that all districts use 9.5% of the statewide average per pupil cost in computing their allowable cost increase.

Current law provides that districts may increase their per pupil expenditures by 9.5% over the prior year. This procedure has led to larger dollar increases for those districts with the highest spending levels, while districts with low levels of spending are allowed a smaller dollar increase. This has tended to widen the disparity in educational opportunity between districts.

Through the item veto I have made, all districts will base their increases on the statewide average. In this way the controls will allow every district a comparable per pupil increase. This will introduce a significant element of equity between districts into the program. As before, the voters of any school district will have the opportunity to determine if the controls should be exceeded.

Cost Control Appeal to Improve Energy Efficiency

Section 1123p would provide a cost control appeal for school districts which incur expenditures in upgrading their facilities to energy efficient standards.

This appeal procedure is of questionable benefit because most upgrading of facilities involve non-operating costs (i.e. principal and interest), which are already exempt from the controls. The remaining types of structural improvements that might lead to energy efficiency fall within the concept of maintenance. Cost controls require school districts to plan for and implement careful maintenance cycles. If they do this, improvements can be made without any need for an appeal.

Finally, I believe that the local referendum procedure should not be undermined by additional cost control appeals. The voters of a school district are better qualified than the state to determine when cost controls should be exceeded.

III-E. S.E.N. Discretionary Grants

Section 1076i authorizes the superintendent of public instruction to award up to \$100,000 annually in discretionary grants under the special educational needs program. I have vetoed this authority, because funds should be made available according to the same criteria to meet the intent of the special educational needs program.

There has never been a permanent authority granted for discretionary awards, and during the 1977-79 biennium, as new changes are being implemented to improve the program throughout the state, there should be maximum equity in the way awards are granted.

There is no fiscal effect of this veto, because the monies designated for discretionary grants will be distributed according to the program criteria already established for other grants.

Inkind Matching Under the S.E.N. Program

Section 1076g establishes the option for non-public grantees under the S.E.N. program to use an inkind match to meet the new requirements for funding under the program. Public schools that receive an award would not be allowed this option. Public schools would have to provide a cash match, and it is because of this double standard that I have vetoed inkind matching for non-public grantees.

Under current law there is no matching required for participants in the S.E.N. program. Experience has shown, however, that grantees have not continued their programs after termination of state funding. It is reasonable to require a minimal match in order to elicit sincere district interest in the program as a precondition to funding. Even though a cash match may be difficult in some instances to generate, it would be inequitable to allow some grantees an exemption from this potential improvement in the program at the same time it is required of others.

III-F. Community Action Agencies

Section 1077 enables local school districts to finance services through community action agencies during summer months. The purpose is to expand the funding opportunities available to community action agencies so they can begin to meet needs that may not have been addressed in the past. I have vetoed an amendment that would exclude all types of instructional services from those that can be financed by a school district through CAAs. There is no justification for this limitation at this time; in fact, it could significantly weaken the program.

IV. Higher Education

IV-A. School of Veterinary Medicine

Section 479p directs the Board of Regents to establish a school of veterinary medicine at the University of Wisconsin-Madison and a satellite clinic at UW-River Falls. Within the state building program as enumerated in Section 1606c (1)(a), money for advance planning and for construction of a veterinary college is also appropriated.

Establishing a veterinary college in Wisconsin is not the way to solve the problem of the maldistribution of veterinarians or to meet the educational needs of our students. Training veterinary medical doctors in Wisconsin will not automatically increase the number of practicing veterinarians in Wisconsin. Nine of the 32 states *without* veterinary colleges have more veterinarians per 100,000 residents than Wisconsin. Factors other than the presence of a veterinarian college greatly affect the distribution of veterinarians among the states.

If a school were established in Wisconsin, it is unlikely that more than half of those trained here would stay here to practice. The graduate retention rates in neighboring states show that Minnesota keeps only 50% of its native graduates, Illinois 53%, Michigan 52%, and Iowa 51%. Furthermore, there is no evidence

that the graduates who would stay in Wisconsin would tend to settle in rural counties or in areas of veterinarian shortage. Veterinarians as a group will continue to enter lucrative urban practices in Wisconsin for the next 15-25 years, until the market for veterinarians in the urban counties is saturated, regardless of the presence or absence of a veterinary college.

Although the money appropriated for the school in this bill is relatively modest, once the school is fully operating it will cost about \$6 million annually, including debt service on new construction. Thus, directing the Board of Regents to establish a school of veterinary medicine irrevocably commits this state to substantial expenditures for years to come.

As an alternative, I proposed a series of contracts with neighboring states, which would allow Wisconsin residents to attend veterinary colleges in other states. These contracts would provide 80% of the graduates that a Wisconsin school would produce, at only 40% of the cost. Because the contract alternative is a far more cost-effective way to meet the state's need for veterinarians, I am vetoing the directive to proceed with a school of veterinary medicine in Wisconsin, contained in Section 479p. I am also directing the Department of Administration to place the \$981,000 GPR which was added to the University of Wisconsin's General Program Operations appropriation into unallotted reserve for the 1977-79 biennium.

Additionally I am vetoing both the \$240,000 GPR in Building Trust funds for advance planning and \$2,900,000 bond revenue for construction of the veterinary college facilities, as enumerated in Section 1606c(1)(a).

V. Natural Resources

V-A. Water Pollution Discharge Permits

Section 1610h directs the Department of Natural Resources to reissue existing pollution discharge permits to all direct point source polluters on the Fox and Wisconsin rivers. The Department would not be allowed to use the criteria normally applied in issuing such permits. The reissued permits would expire on December 31, 1980; between now and then the Department would be precluded from upgrading water quality standards for the Fox and Wisconsin rivers, and no public hearings could be held on eventual new standards until 1979. I have vetoed these provisions because they would unwisely delay continued improvement in water quality in

the effected rivers and because the provisions directly conflict with federal laws and regulations.

Federal law establishes water quality standards which must be attained in accordance with various deadlines and within the limits of available technology. Section 1610h prevents the Department of Natural Resources from taking the necessary steps to insure that these federal requirements will be met; specifically, section 1610h prevents the DNR from gradually increasing water quality standards and from issuing discharge permits consistent with those standards.

The critical deadline for meeting federal water quality standards is July 1, 1983. Those standards cannot be met if the state's water quality control efforts come to a virtual standstill for the next 3 1/2 years. There would only be 2 1/2 years left (after December 30, 1980) to issue new permits, plan construction projects, order and install new equipment and see that it is in working order.

The U.S. Environmental Protection Agency has already notified state officials that this amendment is in direct conflict with federal laws and regulations. EPA has indicated that if DNR reissues current permits on the Fox and Wisconsin rivers, it could not approve them. Municipal and industrial permittees would be left without valid permits and would be subject to federal and civil suit.

To date, water pollution abatement efforts in Wisconsin have been significant. They have been supported and demanded by the public. The paper industry has made a substantial and highly commendable contribution to this total effort. The enactment of the provisions described above would mandatorily halt for several years any further progress in pollution abatement on two of our major rivers.

V-B. Environmental Discharge Fee

Section 1188 establishes a fee by which polluters will defray some of the cost of the state's environmental protection effort. The program provides for a \$50,000 ceiling on fees, as well as a fee schedule that will generate 30% of program costs. I have vetoed the \$50,000 ceiling and made a technical change to insure that the program will generate the 30% share.

The \$50,000 ceiling will mean that plants with relatively low pollution levels could pay a disproportionate share of the enforcement program cost. For example, the ceiling could prevent

a firm which pollutes twice as much as another from paying twice as high a fee. As a result, smaller industries in Wisconsin would be required to subsidize the costs of environmental protection caused by larger plants. This subsidy could be particularly burdensome if smaller firms are required to pay that portion of the fees exceeding \$50,000.

Estimated Fiscal Effect: Increase GPR-earned revenue by \$30,000 in 1977-79.

V-C. Non-Point Source Water Pollution Grants

Sections 371m, 984, 984m and schedule establish a nonpoint source water pollution abatement grant program funded by general purpose revenue of \$265,000. The program would be administered by the Board of Soil and Water Conservation Districts. I have vetoed this program.

Non-point source pollution is a significant problem which at some point may require the state to provide some assistance toward its solution. However, the establishment of a program at this time would be premature, because: the methods of addressing the problem of non-point source pollution have not been well defined; priorities among state initiatives have not been identified; and the appropriate roles of state agencies have not been determined.

In addition, the program as structured has the following problems. First, the funds appropriated are so small that there would likely be little accomplished to improve the state's water quality. A meaningful program would cost considerably more, which underscores the need to closely study this issue before proceeding. To do otherwise could lead to implicit "commitments" of major new dollars. Second, the program is assigned to an agency not principally responsible for pollution abatement, thereby segmenting Wisconsin efforts in this area. Third, the limiting of grants to "farmers" discriminates against non-farm landholders with nonpoint pollution problems.

V-D. Sewage Treatment Grant Program

Sections 385m, 1176d, 1176m, 1177m, 1609n and schedule would continue the state pollution abatement grant program for two years at a level of \$13,085,000, of which \$6,850,000 is general obligation bond funds and \$6,235,000 is GPR funds. I have vetoed the general obligation bond funds and the new need criteria added to the program.

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The \$6,235,000 GPR is adequate to fund those projects which are either under construction have been certified application on file and DNR by May 18, 1977. I believe that we have a moral obligation to fund these projects because these localities have proceeded under the legitimate assumption that state funds would be available. The remaining projects (those which have expressed an interest in building at some point in the future) should not be funded until it is determined that it is necessary to continue the state grant program and, until a serious look is given to restructuring the program.

GPR funds should be used instead of bond funds because we are addressing a short term problem, i.e. the backlog of grant applications which are at an advanced stage of completion. In addition, there are federal public works funds which are available for pollution abatement projects which could be used to fund those municipalities which have expressed an interest in building at some point in the future.)

Although I am in agreement that grants should be made based upon financial need, I do not believe that section 1176m is adequate to accomplish what must be done. In addition, if there is to be a state grant program in the future, I would hope that wholesale changes would be made (including addressing the financial need issue) and not piecemeal changes such as this section accomplishes. The current state grant program has some serious flaws which should be corrected before the state makes any further commitment of scarce resources.

V-E. Expanding the Scope of Boat Aids

Sections 219 and 464 increase the maximum amount available for boat enforcement aids administered by the DNR from \$200,000 to \$400,000. These sections also expand the eligibility for boat enforcement aids to include search and rescue activities. I have vetoed both of these adjustments.

It is unlikely that there will be sufficient funds available in 1977-79 to even pay \$200,000 in boat enforcement aids; consequently, increasing the \$200,000 figure is meaningless in the absence of a registration fee increase or new fees.

A further concern is whether or not search and rescue operations should be funded as an enforcement activity. Inclusion now will require proration of aids. If reimbursement for search and rescue operations are a legitimate use of boat registration monies, they should be differentiated from the enforcement appropriation.

V-F. Lake Mendota Bulkhead

Sections 1606c and 1606d would deed the state's title and interest in certain lands along the shore of and beneath the waters of Lake Mendota to the U.W. Board of Regents. This area, between the Limnology Building and Memorial Union and extending 250 feet into the lake, would be used to construct a permanent bulkhead and pier(s) for the Hoofers Club (an outdoor recreational club at UW-Madison). I have vetoed these provisions because the proposed project could cause significant environmental damage by encroaching on a walleyed pike spawning area. Spawning sites for walleyes are not plentiful in Lake Mendota and this site should be preserved.

Further, the land created by filling in the lake bed will be used to store the boats of the Hoofers Club. The Hoofers Club bylaws state that only members of the club can use its facilities; thus, public lands would be deeded to a quasi-private club.

Finally, section 1606(d) contains an inadequate legal description of the lake bed grant. Rather than containing an accurate legal description, it provides only a general footage description between two buildings on the UW campus.

Estimated Fiscal Effect: Reduce building trust fund expenditures by \$75,000 and gift and grant expenditures by \$175,000.

VI. Human Services

VI-A. Corrections' Institutional Facilities and Staffing

Sections 1606c, 1625v and 1625x provided \$5 million for construction or purchase of additional adult correctional facilities, \$5 million for construction or purchase of additional juvenile correctional facilities and \$13.5 million for additional staffing for added adult and juvenile facilities during the 1977-79 biennium. I have vetoed the specific dollar limits for the respective adult and juvenile facility construction, purchasing and staffing. Additionally, I have vetoed the requirement that the Department of Health and Social Services obtain the specific approval of the Joint Committee on Finance before any staff for the increased institutional space can be recruited.

The specific dollar limits included in the budget bill are too restrictive relative to the department's ability to secure additional housing for adults and juveniles during the 1977-79 biennium. The veto maintains a total of \$10 million for adult and juvenile

facilities. Legislative oversight and determination is retained since the department must still submit a plan to both the State Building Commission and Joint Committee on Finance by September 1, 1977 for their approval in order to use the Building Program funds. Without the veto, neither of those committees could authorize any expenditures in excess of the specific dollar amounts for adult and juvenile facilities respectively.

The requirement for prior approval by the Joint Committee on Finance for recruiting each of approximately 700 added positions in corrections' institutional programs during 1977-79 would require virtually weekly meetings between the department and the committee. The department's submission of periodic reports to the committee on the status of the added positions should suffice in terms of the committee's need to know how the positions are being utilized.

VI-B. Specialized Programming for Juvenile Correctional Clients

Sections 1625p and 1625y add funding for an experimental educational program for juveniles in group foster homes and require that the GPR match for the federally funded Childrens' Monitoring Unit be spent only upon approval of the Joint Committee on Finance after receipt of a plan to systematically gather information on offenses committed by juveniles in the correctional system and after receipt of various types of data relative to juvenile correctional programming.

I have vetoed the provision requiring that the funds be expended on experimental educational programs in group foster homes, thus providing the department with the ability to utilize these funds for educational programs for juvenile correctional clients in a variety of residential settings.

Additionally, I have removed the requirement that the department obtain Joint Committee on Finance approval before expending the GPR matching funds for the Childrens' Monitoring Unit after the submission of the required reports. The GPR matching funds must be available on July 1, 1977 in order to capture the federal funds which are funding, for the most part, an ongoing program. The requirement to both develop a data gathering plan and collect the data makes it impossible to meet the July 1 deadline.

VI-C. AFDC Work Related Expenses

Sections 579p and 580m establish methods for calculating work related expenses for AFDC payments. One method is a flat rate of

18% of gross income. The other method is the itemization of actual expenditures, which *must include* a vehicle mileage allowance but *may not include* vehicle payments, insurance, repair and maintenance costs.

My partial veto would provide for a flat rate of 18% of gross income or the itemization of actual expenditures. It removes the requirement that the itemization include a mileage allowance and not include vehicle payments, insurance, repair and maintenance costs. Requiring that all itemizations include mileage allowances is inappropriate since there are recipients who do not require a mileage allowance as related to their work. Furthermore, the blanket prohibition of vehicle payments, insurance, repair and maintenance costs may violate federal regulations. The effect of the veto will be to preserve and strengthen the intent of the legislative amendment.

Reimbursement of Funeral Expenses

Section 597 would require the state to reimburse counties at 100% of the costs of funeral expenses of aid recipients. At the same time section 49.30 of the statutes, which remains unchanged stipulates that the maximum state reimbursement to counties for funeral expenses shall be \$300. I am vetoing the reference to 100% reimbursement of funeral expenses in order to remove this inconsistency and to retain the maximum state reimbursement at \$300.

AFDC Recertification and Income Verification Procedures

Sections 579b, 580r, and 581m require: (1) the documentation of actual income, economic status and assets by recipients of AFDC; (2) the department to establish a random sample method of recertifying AFDC recipients; and (3) a prohibition of estimating or projecting income for purposes of AFDC determination. The requirement to document "economic status" is being vetoed because it is too vague. The requirement to "verify" all assets is being vetoed because it would substantially increase the costs of income maintenance programs (e.g. requiring on-site appraisals of physical assets) and funds are not included in the budget for this purpose.

The provision requiring a random sample method of recertifying AFDC recipients is being vetoed because it would remove existing requirements with regard to recertification of *all* public assistance recipients. The sampling procedure proposed is a valid approach an one which should be included as a supplement to the existing recertification requirements rather than replacing them.

The prohibition on estimated or projected income for purposes of AFDC determination is being vetoed because it would violate federal regulations related to required income averaging provisions.

VI-D. Participation of Medicaid Skilled Nursing Homes in Title XVIII (Medicare)

Section 588 requires all skilled nursing homes receiving Title XIX (Medicaid) payments to be certified for Title XVIII if the facility exceeds 100 beds. Facilities of less than 100 beds would be required to be Title XVIII certified, dependent upon: the availability of Title XVIII beds in the area; the effect on the rate if Title XVIII certification is required; and financial and staffing ability of the facility to be Title XVIII certified. This provision is being partially vetoed to require that facilities under 100 beds be required to be Title XVIII certified based on rule. This change would allow the department the flexibility to include criteria in addition to the three in the bill, for determining which facilities of less than 100 beds must be certified as Title XVIII facilities and to assure that the freedom of choice required in federal regulations is met.

VI-E. Public Assistance Recipients' Bill of Rights

Section 577r creates a Bill of Rights for public assistance recipients. The vetoes which I have made eliminate the expansion of rights beyond those available to the average citizen and eliminates the need to publish the U.S. Constitution and Wisconsin Constitution as administrative rules. However, it retains the codification of essential rights of public assistance recipients.

VI-F. Community Mental Health Aids

Sections 618m and 619m provide that a limited amount of funds not allocated after the application of the formula, or funds not matched by county funds, shall be reallocated to specific special needs categories. I have vetoed the funding restrictions and also vetoed the specific special need categories.

Any unallocated funds should be available for special needs to increase the department's flexibility to respond to community need. It should not be limited to a specific funding level.

In addition, unallocated funds should not be restricted to selected disabilities or categories. It should be available to meet those needs as determined by the department and should not discriminate against other target groups. The existing language

does not allow the funding to be used for alcoholism or drug abuse programs, for example.

VI-G. Community Mental Health and Social Services Appropriation

Sections 238m and 246 provide that ninety percent of funds not spent or encumbered by 51 boards and county social service departments shall lapse to the general fund unless transferred to the next calendar year by the Joint Committee on Finance. I have vetoed these provisions because they would severely restrict the department's ability to respond to unanticipated and unusual community needs. Further this policy would provide a direct disincentive to collections at the local level, since any dollars collected would offset expenditures of state funds and this would result in the local agencies lapsing state funds with no possibility of retaining them.

VI-H. Coordinated Plan and Budget Development

Sections 543, 544b and 620 outline the coordinated plan and budget process for county social service departments and 51 boards. Portions of these sections provide that counties may appropriate funds outside the approved budget. I have vetoed these provisions.

The Department of Health and Social Services has followed a policy of encouraging counties to develop comprehensive plans and budgets reflecting all sources of funds. Sections 544b & 620 restrict the approved plans and budgets to include only federal and state funds. These plans would be incomplete, because they would not encompass all other sources of funds, such as county funds, collections, private donations, etc. A veto is necessary to ensure that these plans and budgets continue to be a comprehensive document, including all sources of revenue. Otherwise, the restrictions on the sources of funds could result in a dual delivery system, which is neither fully reviewed nor approved by the Department.

Section 543b would require county board approval for geographical groupings for state mandated mental health/social service planning. This could result in a multi-county area submitting a combined mental health plan and budget but separate county social services budgets, defeating the purpose of coordinated budgets.

VI-I. Annual Program Budgets

Sections 560 and 596 provide that county social service departments and 51 boards submit annually a program plan and

budget. They also state that the approved plan and budget shall not exceed the available amount of federal or state funds. I have vetoed the provisions pertaining to "federal or state" funds.

The annual plan and budget is a comprehensive document detailing how a county social service department or a 51 board is going to fund the services in their area. If the restrictions are not vetoed, this approved plan and budget could only deal with state and federal revenues and would ignore all other funding sources (local funds, private donations, collections, etc.).

VI-J. County Liability

Section 613m states that community mental health boards shall provide for services only to the limits of the state and county appropriations. I have vetoed the provisions relating to these limits.

In accordance with an Attorney General's opinion, counties are responsible for providing the services outlined in the statutes, even if the cost of these services exceeds the limits of the state appropriation.

VI-K. Liability of Adult Children for Parental Support

Sections 631m and 631r would establish an adult childrens' liability for any dependent parent. A consequence of these provisions would be to place the state out of compliance with federal regulations related to SSI and Title XIX programs. These regulations provide that financial responsibility of any individual for any applicant or recipient must be limited to the responsibility of spouse for spouse and of parents for children under age 21, or blind or disabled.

Because the proposed changes in these sections could result in a loss of \$28 million or more of federal funds, I am vetoing these sections.

VI-L. Audit Bureau's Audits of Medical Assistance Providers and Organization Receiving More Than 50% of State Funds

Sections 13r and 13w would permit the Legislative Audit Bureau to audit providers of medical assistance and every organization receiving more than 50% of its annual budget from state funds.

These audits would duplicate audits already required and conducted by state agencies, such as the Department of Revenue and the Department of Health and Social Services. One additional audit by the Legislative Audit Bureau also could cause confusion at

the local level. Audits conducted by one state agency can serve as information for other branches of state government.

As these provisions relate to medical assistance, the budget provides an expanded capability for the Department of Health and Social Services and the Department of Justice to audit medical assistance providers and to investigate fraud. The Legislative Audit Bureau's audits of these providers would duplicate these activities and create the potential for a lack of coordination between state agencies in the most complex area of medicaid fraud.

For these reasons I am vetoing the provisions which would permit the Legislative Audit Bureau to audit medical assistance providers and organizations receiving more than 50% of its budget from state funds.

VII. Agriculture

VII-A. Membership of the State Fair Park Board

Sections 25, 32d and 985d of the budget bill require the Secretary of Agriculture, Trade and Consumer Protection, or his or her designee, to serve on the State Fair Park Board.

It would be a bad precedent to add to the board someone representing a particular interest, given the variety of activities promoted by the State Fair Park. This precedent could create pressure to add members who represent other identifiable constituencies. Also, adding a fourth member to the existing board would make it possible for the board to be deadlocked when tie votes occurred.

At the present time the Secretary, or his or her designee, serves as the nonvoting secretary to the State Fair Park Board. Under this arrangement the secretary has ample opportunity to promote agricultural interests.

This veto would continue the secretary or his or her designee in a nonvoting status. The veto is supported by the State Fair Park Board and the Board of Agriculture.

VIII. Regulation and Licensing *VIII-A. Appropriation Balances for Professional Regulation*

Section 125 requires the unencumbered balance exceeding \$100,000 in the consolidated appropriation for professional regulation in the Department of Regulation and Licensing to revert

to the general fund at the end of each biennium. I have vetoed this provision.

It is estimated that at the end of 1977-79 there will be a \$515,000 balance in the professional regulation appropriation. This item veto would allow the department to "carry over" this entire amount to the 1979-81 biennium.

Requiring the lapse of balances in excess of \$100,000 would mean that funds collected from licensees could not be carried over to offset increased program costs, in future biennia, as is permitted of other state activities funded by user fees. By eliminating this prohibition, there will be less frequent requests for fee increases. Of the moneys now collected from licensees, 10% is already transferred to the general fund to "pay" for services financed with general purpose revenue funds which are related to professional regulation activities.

Estimated Fiscal Effect: Reduce GPR by \$415,000 in 1977-79.

VIII-B. Licensing Exams of the Psychology Examining Board

Section 1556 authorizes the Psychology Examining Board to require all prospective licensees to take an examination on basic and applied psychological science, in addition to the examination on ethics now required. I have vetoed this authorization.

Current statutes authorize the board to require examinations in addition to the ethics exam only to determine the equivalence of qualifying training and experience. Requiring additional exams of all applicants would create an unjustified barrier to entering this profession, which is clearly not in the public interest.

IX. Building Commission

IX-A. State Design and Construction Alternatives

Sections 8 and 87a delete the existing statutory provisions which permit the Building Commission to use innovative alternatives to conventional design and construction. Elimination of this authority would deny the state the opportunity to use, for example, the design/build alternative for GEF II and GEF III. Design/build for these two buildings is estimated to be at least \$2 to \$3 million cheaper per building than conventional construction.

In addition, if design/build cannot be used for the Madison office buildings, the resulting years' delay in construction will cost another million dollars, because of price increases and extension of

leases. These cost increases could make any new construction prohibitive, when compared to costs of continued leasing.

The design/build procedure allows for competitive bidding on performance standards in the sizes, and provides an incentive to architects/engineers to keep the costs down because they are members of the team involved in the competitive bidding process. It is time that the public sector takes advantage of a device successfully used in the private sector for well over ten years.

Therefore, I have vetoed these provisions to let the state use the best and most economical building procedures available.

X. Other

X-A. Community Development Fund

Section 324 increases the local matching requirement for Community Development Fund grants from 20% to 50%. If a 50% local match is required, the Community Development Fund may likely become a supplement to projects which would have been undertaken without financial assistance for the state, rather than a source of funding for innovative projects which have transferrability from one jurisdiction to another. The recommended partial veto retains the provision in current law for a required 20% local match, thus continuing to provide financial incentive for local governments to undertake projects which are of benefit to their jurisdictions as well as to the state as a whole.

X-B. Pipeline Condemnation by Counties

Section 468m of the budget bill would prevent a county from exercising full condemnation powers for land to be used as a pipeline. A county could acquire an easement, but it could not acquire complete ownership of the land. This provision was apparently designed to prevent land from being condemned for one purpose (pipelines) and later being used for another (snowmobile trails). I have vetoed this change so that counties will continue to be able to condemn land for pipelines.

Without this veto, counties may be prevented from providing basic services requiring pipelines. In addition, the flexibility of cities, towns and villages in cooperating with counties to provide such services would be reduced. The laws concerning condemnation are extremely complex and ought not be changed until all the consequences changes are clearly understood. However, the concern over the ability of governmental and corporate bodies to condemn land for one purpose and then use it

for another purpose several years later is a serious one. The Legislature Council has begun a study of Wisconsin's condemnation laws and is the proper body to examine these questions. A comprehensive approach to condemnation law is preferable to piecemeal amendments.

X-C. Out-of-State Travel

Section 1629g would restrict some out-of-state travel in 1977-79 to 75% of the level in 1973-75. All elected officials, except the superintendent of public instruction, would be exempt from the restriction. I have vetoed this restriction for several reasons.

First, due to the effects of inflation, the restriction actually represents about a 50% cut in affected travel. There is no evidence to suggest that any significant cross-the-board cut is necessary, to say nothing of a 50% reduction.

Second, the restriction will severely penalize state agencies which conduct essential, revenue-producing out-of-state activities. The relatively modest savings produced by this restriction will in fact be more than offset by a substantial loss in general fund revenue. For example, revenue from out-of-state corporate audits by the Department of Revenue could decline by \$5.3 million under this restriction.

Third, the restriction ignores the fact that since 1973-75 important new programs have been established or expanded. The Department of Business Development's recruiting efforts would be drastically affected by this cut. So would a new program for the Commissioner of Securities which was approved elsewhere in the budget. Because such programs were not in effect in 1973-75, this restriction would be totally unrealistic.

Fourth, in addition to exempting travel by most elected officials, all non-GPR travel is exempt. It is not likely that the dividing line between wasteful and productive travel in state government coincides with the exemptions so established.

X-D. Legislative Allowances

Section 6mg repeals the expense allowance for the state legislators during months when the Legislature is in actual session for 3 days or less. Senators are reimbursed \$75 per month and representatives are reimbursed \$25 per month. The allowance which has been frozen since 1973, is intended to reimburse legislators for costs incurred servicing their constituents during

periods in which they spend a substantial amount of time in their districts, thus not having the resources of their Capitol offices.

I am vetoing the repeal of the allowance because of the detrimental effect it could have on the ability of legislators to serve their constituents. I would urge the Legislature to develop a comprehensive and equitable program for reimbursement for legislative constituent service costs; until that time, repeal of the allowance appears premature.

XI. Executive Branch Structure

(The following two vetoes are made at the request of my successor to insure an orderly transition and to provide an organizational framework consistent with his priorities.)

XI-A. Department of Industry, Labor and Human Relations

Section 1657(22) would make the reorganization of the Department of Industry, Labor and Human Relations effective January 1, 1978. The veto which I am making would make the reorganization effective immediately. A related transitional provision in section 1655(22) (a) is also being vetoed.

There are a variety of policy issues which will be facing this department in the next several months which require that the new secretary be appointed and be able to deal with these issues.

XI-B. Division of Highway Safety Coordination Transfer

Sections 14, 15, 16, 17, 401, 629, 914, 967 and 1655(43) (bc) and (g) of the budget bill would transfer the highway safety coordination function from the Executive Office to the Department of Transportation. I have vetoed portions of these provisions. This will retain Highway Safety Coordination in the Executive Office. I have done so, as in the case of my veto regarding the DILHR reorganization, in order to facilitate the transition between administrations and to respond to the organizational alignment that the next Governor wants to establish.

XII. Technical/Minor Policy Ideas

XII-A. Federal Revenue Sharing Audit Reports

Sections 703 and 704 require local governments to file copies of federal revenue sharing audit reports with the state. This provision has been removed because the additional work and cost that it would generate at the local level does not appear to be justified. The proposal had originally been considered for inclusion in the

executive budget proposal but was not included in the final set of recommendations. However, the language was inadvertently inserted into the budget.

XII-B. Transportation Commission Staff

Section 1655(43)(am) sought to provide the Transportation Commission with a staff separate and independent of the Department of Transportation. However, the language in the bill could be interpreted to exclude all existing department employees from ever being employed by the commission. I have partially vetoed this section to preserve the intent that the commission should have its own staff but clarify that the commission may choose to employ persons who are now employed by the Department of Transportation.

XII-C. Reference to the All-Mode Program

Section 1343 retains a reference to the all-mode program originally proposed by the Department of Transportation. I have eliminated this reference because this program was eliminated by the Legislature.

XII-D. Technical Error in Cost Control Language

Section 1126 makes various changes in cost control language for school districts. A technical error was made in eliminating the mandatory nature of adjustments by the state superintendent to reflect the treatment of receipts within school budgets. I have vetoed this error in order to return this language to current language and the intent of my earlier recommendation.

This veto has no fiscal effect.

XII-E. State Laboratory of Hygiene

Section 1630 requires the Board of Regents of the University of Wisconsin to submit a report on the State Laboratory of Hygiene by November 1, 1977.

The purpose of this date was to ensure that the report be available for consideration in preparing the annual review budget bill. The University has committed itself to submitting the report in time for the annual review consideration, but it believes the November 1 date is too restrictive. I have therefore vetoed this date.

XII-F. Spark Arresters on Locomotives

Section 448b provides that locomotives must be equipped with spark arresters that meet standard "5100-la" enumerated by the U.S. Forest Service or the standards set by the Society of

Automotive Engineers. The section goes on to specify the responsibilities which railroads and their employes have in examining and maintaining spark arresters. I have vetoed the references to the specific standards for spark arresters. The effect of the veto is to give DNR the authority to set standards.

According to federal officials the standards cited in SB 77 are not appropriate to cite in legislation because of the rapidly changing technology in the area. Furthermore, federal spark arrester standards for locomotives are now in the final stages of being adopted, so there is no enumerated federal standard which can be referenced. Consequently, the DNR Board should have the authority to adopt standards. This will allow time for finalization of federal standards and enable state standards to conform to federal standards and permit state standards to conform to federal guidelines if deemed appropriate. Further, it will allow for public involvement in the formulation of standards through the DNR public hearing process.

A second provision that causes problems which the Legislature will need to address involves the liability of railroad employes in examining locomotive spark arresters and reporting fires caused by their trains. Under present law liability in these areas can be up to \$500 against the railroad. The changes in SSA 2 increased this possible corporate liability to \$1,000 and created liabilities for individual violations of both of these responsibilities. However, the individual liability was intended to apply only to employe responsibility in reporting fires caused by the train, not in connection with examining spark arresters. Because this problem cannot be solved through an item veto, remedial legislation should be introduced that will limit the individual liability specifically to the responsibility of reporting forest fires.

XII-G. Medical Examination Assignability

Section 1577, through a drafting error, incorrectly referenced Section 632.72 of the Statutes regarding medical assistance assignment provisions. I am vetoing this reference to correct this drafting error.

XII-H. Legal Representation in DILHR Reorganization

Sections 1042 and 1044 deal with legal representation in unemployment compensation appeals. They repeal the word "department" and replace it with the word "commission" which has the apparent effect of requiring all attorneys in the department's unemployment compensation unit be employees of the Commission. This was not intended, nor would it be appropriate,

because only a portion of their responsibilities is to represent the Commission in unemployment compensation appeals. My vetoes will have the effect of restoring the intended relationship of attorneys as employees of the Department.

It should be noted that this in no way affects the attorneys who were intended to be employees of the commission.

XII-I. MMIS Approval

Section 1625t specifies the dollar amount of funds allocated for a Medicaid Management Information System. The dollar figures in this section are incorrect and therefore I have vetoed them. The correct figures are \$283,600 in 1977-78 and \$237,700 in 1978-79.

XII-J. Permanent Personal Property Definition

Section 84 defines property which costs \$100 or more and has a life of two or more years as permanent personal property. I have vetoed the \$100 or more restriction.

Consistent with budget and generally accepted accounting procedures, permanent personal property should be classified based on estimated life only, not dollar value. Otherwise, certain assets could be inappropriately considered current expenditures and not capital assets.

XII-K. Supervision of Children in State or County Facilities

Section 1072r deletes the requirement that school boards must submit information on special education in state or county facilities located in their districts. The budget bill places the responsibility for the education of handicapped on the state or county facilities that serve them. This responsibility is retained and is not changed by my veto. However, this does not exempt the Department of Public Instruction from their *supervisory* responsibility under federal law. For this reason, I have vetoed the repeal of this section of the statutes.

XII-L. Uniform Foster Care Rates

Section 1625c specifies an amount of funds for a special parenting component for multiple-child homes and for the care of older children. I have vetoed the specific funding designations.

The supplemental rate portion of the uniform foster care rates will include additional payments to foster parents who care for more than 2 foster children or care for older foster children. Since the number of cases which would qualify for this additional special parenting is not known, it is impossible to determine what the appropriate amount of funds should be. Further, it is not possible

to appropriate the exact amount of federal money since the amount of federal money that will be generated by the uniform foster care rate is not known.

For these reasons, a specified sum may create unintended problems. I have asked the Department of Health and Social Services to report to the Joint Committee on Finance in the event this specified sum might need to be exceeded.

XII-M. Section 1122 Facility Reviews

Section 1622m(4) requires that the department terminate its contracts with the United States Department of Health, Education and Welfare for section 1122 facility reviews no later than one year after the effective date of this act. Although it is recognized that the Certificate of Need Program in SB 77 will eliminate the need for the 1122 reviews, it is not absolutely certain that these mechanisms will be in place within one year. Hence, I am vetoing this requirement.

XII-N. Reduction of Library System Aids

Section 526 is intended to clarify the Department of Public Instruction's authority to reduce library system aids if systems fail to meet responsibilities established in state law. This section could confuse intent relative to proration of library aids, because the work "may" is used, yet the language of other sections is that aids are *required* to be reduced if the statutes are not complied with. For this reason, I have vetoed the underscored material in this section to require the aid reduction if appropriate. This veto has no fiscal impact.

United States of America

State of Wisconsin

Executive Department

A Proclamation

I, Patrick J. Lucey, Governor of the State of Wisconsin, pursuant to Section 11 of Article IV of the Constitution of Wisconsin, do hereby require the convening of a special session of the Legislature of the State, said special session to take place at the Capitol in Madison, on the thirtieth day of June, A.D., 1977, at nine o'clock a.m., solely for the purpose of considering and acting upon the partial vetoes of 1977 Senate Bill 77.

(Seal)

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the City of Madison, this twenty-seventh day of June in the year of our Lord one thousand nine hundred and seventy-seven.

PATRICK J. LUCEY
Governor

By the Governor:

DOUGLAS LA FOLLETTE
Secretary of State

By request of Senator Bablitch, with unanimous consent, senate rule 3 (3) as it relates to the wearing of coats was dispensed with for the balance of the day.

CALENDAR OF JUNE 28

CONWAY, FRANCIS J., of Thorp, as a member of the Banking Review Board, to succeed himself, to serve for the term ending May 1, 1982.

Read.

HUBER, ROBERT T., of West Allis, as a member of the State Highway Commission, to succeed himself, to serve for the term ending March 1, 1983.

Read.

By request of Senator Bablitch, with unanimous consent, the above appointments were considered enmasse.

The question was: Confirmation?

The ayes and noes were required and the vote was: ayes, 31; noes, 0; absent or not voting, 2; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Bidwell, Chilsen, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, McKenna, Lasee, Lorge, McCallum, Maurer.

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Morrison, Murphy, Offner, Peloquin, Petri, Radosevich, Risser, Sensenbrenner, Swan, Theno, Thompson and Van Sistine -- 31.

Noes -- None.

Absent or not voting -- Senators Braun and Parys -- 2.

So the appointments were confirmed.

MORRIS, JOHN, of Madison, as a member of the Tax Appeals Commission, to serve for the term ending March 1, 1983.

Read.

By request of Senator Goyke, with unanimous consent, the appointment of John Morris was referred to the committee on Education and Revenue.

MESSAGE FROM THE ASSEMBLY

By Everett E. Bolle, chief clerk.

Mr. President:

I am directed to inform you that the assembly has passed and asks concurrence in:

Assembly Bill 299

Assembly Bill 668

Assembly Bill 704

Assembly Bill 556

Adopted and asks concurrence in:

Committee of Conference Report on Senate Bill 133

Motions Under Joint Rule 7:

A joint certificate of commendation by Representatives Coggs and Ward; cosponsored by Senator Swan for THE MILWAUKEE BLACK COMMUNITY on Juneteenth Day.

A joint certificate of congratulations by Representative Wood; cosponsored by Senators Thompson and Cullen for the 1977 PARKER HIGH SCHOOL BASEBALL TEAM on winning the WIAA State Baseball Tournament.

A joint certificate of congratulations by Representative Kincaid, cosponsored by Senator Krueger for the HOWARD YOUNG MEDICAL CENTER on the occasion of its dedication.

A joint certificate of congratulations by Representative Potter; cosponsored by Senator Keppler for the KOHLER GIRLS TRACK TEAM on winning the Class "C" championship.

Concurred in:

Senate substitute amendment 1 to **Assembly Bill 150**

Senate amendment 1 to **Assembly Bill 254**

Senate amendment 1 to **Assembly Bill 440**

Senate Bill 111

Senate Bill 83

Senate Bill 105

Nonconcurrent in:

Senate substitute amendment 1 to **Assembly Bill 96**

MESSAGE FROM THE ASSEMBLY CONSIDERED

Assembly Bill 299

Relating to testing infants for metabolic disorders and creating a council on infant health screening.

By Representatives Czerwinski, Gunderson, Tropman, Schricker, Kedrowski, Lingren, Metz, Otte, Plewa, Lato, Tuczynski, Ferrall, Wahner, Jackamonis, Rutkowski, Bear, Dandeneau, Loftus, Coggs, Munts, Elconin, Rogers, Norquist, Moody, Lee, Johnston and Ausman, cosponsored by Senators Offner and Berger.

Read first time and referred to committee on Human Services.

Assembly Bill 668

Relating to closing hours for Class "B" and "Class B" establishments.

By Representatives Kincaid, Dorff and Matty.

Read first time and referred to committee on Commerce.

Assembly Bill 704

Relating to continuing medical education, health care liability insurance, health care liability and patients compensation.

By Representatives Hanson and Thompson, cosponsored by Senators Morrison, Cullen and Murphy, by request of The Malpractice Committee.

Read first time and referred to committee on Human Services.

Assembly Bill 556

Relating to certifying applicators of restricted-use pesticides, licensing manufacturers and labelers of pesticides, granting rule-making authority and providing a penalty.

By Representatives Day, Mohn, Ausman, Schricker, Byers, Jackamonis, Wahner, Lallensack, McClain, Dandeneau and Soucie.

Read first time and referred to committee on Natural Resources and Tourism.

Motions Under Joint Rule 7:

A joint certificate of commendation by Representatives Coggs and Ward; cosponsored by Senator Swan for THE MILWAUKEE BLACK COMMUNITY on Juneteenth Day.

A joint certificate of congratulations by Representative Wood; cosponsored by Senators Thompson and Cullen for the 1977 PARKER HIGH SCHOOL BASEBALL TEAM on winning the WIAA State Baseball Tournament.

A joint certificate of congratulations by Representative Kincaid; cosponsored by Senator Krueger for the HOWARD YOUNG MEDICAL CENTER on the occasion of its dedication.

A joint certificate of congratulations by Representative Potter; cosponsored by Senator Keppler for the KOHLER GIRLS TRACK TEAM on winning the Class "C" championship.

The above motions under joint rule 7 were read and concurred in enmasse.

MOTIONS

Senator Flynn asked unanimous consent that the motion for reconsideration of the vote by which **Senate Bill 55** was refused passage, be taken from the table and referred to the committee on Senate Organization.

Senator Sensenbrenner objected.

CALENDAR OF JUNE 28

Senate Bill 471

An act to ratify the agreement negotiated between the state of Wisconsin and the Wisconsin State Attorneys Association covering employes in the professional legal bargaining unit, and authorizing an expenditure of funds.

Read a second time.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 471

Read a third time.

The ayes and noes were required and the vote was: ayes, 26; noes, 6; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Braun, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Kleczka, Krueger, McKenna, Lasee, Lorge, McCallum, Morrison, Murphy, Offner, Parys, Peloquin, Radosevich, Risser, Swan, Theno, Thompson and Van Sistine -- 26.

Noes -- Senators Berger, Bidwell, Chilsen, Keppler, Petri and Sensenbrenner -- 6.

Absent or not voting -- Senator Maurer -- 1.

So the bill passed.

By request of Senator Bablitch, with unanimous consent, Senate Bills 472 through 475 were considered enmasse.

Senate Bill 472

An act to ratify the agreement negotiated between the state of Wisconsin and the State Engineering Association covering employes in the professional engineering bargaining unit, and authorizing an expenditure of funds.

Read a second time.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 472

Read a third time.

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The ayes and noes were required and the vote was: ayes, 26; noes, 7; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Braun, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Kleczka, Krueger, McKenna, Lasee, Lorge, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Radosevich, Risser, Swan, Theno, Thompson and Van Sistine -- 26.

Noes -- Senators Berger, Bidwell, Chilsen, Keppler, McCallum, Petri and Sensenbrenner -- 7.

Absent or not voting -- None.

So the bill passed.

Senate Bill 473

An act to ratify the agreement negotiated between the state of Wisconsin and the Wisconsin Nurses Association covering employes in the Professional Patient Care bargaining unit, and authorizing an expenditure of funds.

Read a second time.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 473

Read a third time.

The ayes and noes were required and the vote was: ayes, 26; noes, 7; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Braun, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Kleczka, Krueger, McKenna, Lasee, Lorge, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Radosevich, Risser, Swan, Theno, Thompson and Van Sistine -- 26.

Noes -- Senators Berger, Bidwell, Chilsen, Keppler, McCallum, Petri and Sensenbrenner -- 7.

Absent or not voting -- None.

So the bill passed.

Senate Bill 474

An act to ratify the agreement negotiated between the state of Wisconsin and the Wisconsin Association of Science Professionals covering employes in the professional science bargaining unit, and authorizing an expenditure of funds.

Read a second time.

Ordered to a third reading.

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By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 474

Read a third time.

The ayes and noes were required and the vote was: ayes, 26; noes, 7; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Braun, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Kleczka, Krueger, McKenna, Lasee, Lorge, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Radosevich, Risser, Swan, Theno, Thompson and Van Sistine -- 26.

Noes -- Senators Berger, Bidwell, Chilsen, Keppler, McCallum, Petri and Sensenbrenner -- 7.

Absent or not voting -- None.

So the bill passed.

Senate Bill 475

An act to ratify the agreement negotiated between the state of Wisconsin and the Wisconsin Federation of Teachers, Local 3271, covering employes in the Professional Education bargaining unit, and authorizing an expenditure of funds.

Read a second time.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 475

Read a third time.

The ayes and noes were required and the vote was: ayes, 26; noes, 7; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Braun, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Kleczka, Krueger, McKenna, Lasee, Lorge, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Radosevich, Risser, Swan, Theno, Thompson and Van Sistine -- 26.

Noes -- Senators Berger, Bidwell, Chilsen, Keppler, McCallum, Petri and Sensenbrenner -- 7.

Absent or not voting -- None.

So the bill passed.

By request of Senator Bablitch, with unanimous consent, all actions were ordered immediately messaged.

Senate Joint Resolution 29

Urging Congress to require foreign dairy products to be labeled to disclose the fact that they are imported.

Read and adopted.

Senate Joint Resolution 30

Urging Congress to provide the American consumer the assurance that foreign dairy products marketed in the United States meet minimum standards of quality by requiring the inspection of these products at the United States ports of entry, at the foreign milk processing plants which provide dairy products for export to the United States, and at the foreign dairy farms which supply milk to foreign milk processing plants for the production of dairy products to be exported to the United States.

Read and adopted.

Senate Bill 71

Relating to revising various laws affecting snowmobile registration and the snowmobile aids program.

Read a second time.

The question was: Adoption of senate amendment 1?

Adopted.

Ordered to a third reading.

By request of Senator Kleczka, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 71

Read a third time.

The ayes and noes were required and the vote was: ayes, 32; noes, 0; absent or not voting, 1; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Bidwell, Braun, Chilsen, Dorman, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, McKenna, Lasee, Lorge, McCallum, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Petri, Radosevich, Risser, Sensenbrenner, Swan, Theno, Thompson and Van Sistine -- 32.

Noes -- None.

Absent or not voting -- Senator Cullen -- 1.

So the bill passed.

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Senate Bill 87

An act to appropriate \$4,864.50 from the general fund for payment of a claim made by Maurice VanSusteren against the state.

Read a second time.

By request of Senator Adelman, with unanimous consent, he was excused from voting on **Senate Bill 87** because of a conflict of interest.

Senate amendment 2 to **Senate Bill 87** offered by Senator Kleczka.

Senate amendment 2 adopted.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 87

Read a third time.

The ayes and noes were required and the vote was: ayes, 29; noes, 2; absent or not voting, 2; as follows:

Ayes -- Senators Bablitch, Bidwell, Chilsen, Dorman, Flynn, Frank, Goyke, Harnisch, Kepler, Kleczka, Krueger, McKenna, Lasee, Lorge, McCallum, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Petri, Radosovich, Risser, Sensenbrenner, Swan, Theno, Thompson and Van Sistine -- 29.

Noes -- Senators Berger and Braun -- 2.

Absent or not voting -- Senators Adelman and Cullen -- 2.

So the bill passed.

Senate Bill 108

Relating to equal coverage for chiropractic and physician services in contracts of health insurance.

Read a second time.

Senate amendment 1 to **Senate Bill 108** offered by Senator Offner.

Senate amendment 1 adopted.

Senate amendment 2 to **Senate Bill 108** offered by Senator Offner.

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Senator Kleczka moved rejection.

The ayes and noes were demanded and the vote was: ayes, 20; noes, 13; absent or not voting, 0; as follows:

Ayes -- Senators Berger, Bidwell, Chilsen, Cullen, Dorman, Flynn, Frank, Keppler, Kleczka, Krueger, McKenna, McCallum, Morrison, Parys, Peloquin, Petri, Radosevich, Swan, Theno and Thompson -- 20.

Noes -- Senators Adelman, Bablitch, Braun, Goyke, Harnisch, Lasee, Lorge, Maurer, Murphy, Offner, Risser, Sensenbrenner and Van Sistine -- 13.

Absent or not voting -- None.

So the motion prevailed.

Senate amendment 3 to Senate Bill 108 offered by Senator Lasee.

Senator Parys moved rejection.

The ayes and noes were demanded and the vote was: ayes, 27; noes, 5; absent or not voting, 1; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Bidwell, Braun, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, McKenna, Lorge, McCallum, Morrison, Offner, Parys, Peloquin, Radosevich, Risser, Swan, Theno, Thompson and Van Sistine -- 27.

Noes -- Senators Chilsen, Lasee, Murphy, Petri and Sensenbrenner -- 5.

Absent or not voting -- Senator Maurer -- 1.

So the motion prevailed.

Senate amendment 4 to Senate Bill 108 offered by Senator Offner.

Senator Berger moved rejection.

The ayes and noes were demanded and the vote was: ayes, 18; noes, 15; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Berger, Bidwell, Chilsen, Cullen, Dorman, Flynn, Frank, Kleczka, Krueger, McKenna, Lorge, Morrison, Parys, Peloquin, Swan, Theno and Thompson -- 18.

Noes -- Senators Bablitch, Braun, Goyke, Harnisch, Keppler, Lasee, McCallum, Maurer, Murphy, Offner, Petri, Radosevich, Risser, Sensenbrenner and Van Sistine -- 15.

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Absent or not voting -- None.

So the motion prevailed.

Upon motion of Senator Bablitch the senate recessed until 2:00 P.M.

12:10 P.M.

RECESS

2:00 P.M.

The senate reconvened.

Senate amendment 5 to Senate Bill 108 offered by Senator Offner.

Senator Berger moved rejection.

The ayes and noes were demanded and the vote was: ayes, 18; noes, 15; absent or not voting, 0; as follows:

Ayes -- Senators Berger, Bidwell, Chilsen, Cullen, Dorman, Frank, Keppler, Kleczka, Krueger, McKenna, Lorge, McCallum, Parys, Peloquin, Petri, Radosevich, Swan and Theno -- 18.

Noes -- Senators Adelman, Bablitch, Braun, Flynn, Goyke, Harnisch, Lasee, Maurer, Morrison, Murphy, Offner, Risser, Sensenbrenner, Thompson and Van Sistine -- 15.

Absent or not voting -- None.

So the motion prevailed.

Senator Lorge moved reconsideration of the vote by which senate amendment 4 to Senate Bill 108 was rejected.

Senator Kleczka moved that the motion for reconsideration of senate amendment 4 be laid on the table.

The ayes and noes were demanded and the vote was: ayes, 17; noes, 16; absent or not voting, 0; as follows:

Ayes -- Senators Berger, Bidwell, Cullen, Dorman, Flynn, Frank, Goyke, Kleczka, Krueger, McKenna, Morrison, Parys, Peloquin, Radosevich, Swan, Theno and Thompson -- 17.

Noes -- Senators Adelman, Bablitch, Braun, Chilsen, Harnisch, Keppler, Lasee, Lorge, McCallum, Maurer, Murphy, Offner, Petri, Risser, Sensenbrenner and Van Sistine -- 16.

Absent or not voting -- None.

So the motion prevailed.

Senate amendment 6 to **Senate Bill 108** offered by Senator Offner.

Senator Berger moved rejection.

The motion prevailed.

Senate amendment 7 to **Senate Bill 108** offered by Senator Lasee.

Senator McKenna raised the point of order that senate amendment 7 was not germane.

The chair ruled the point of order well taken.

Senator Offner moved reconsideration of the vote by which senate amendment 6 to **Senate Bill 108** was rejected.

Senator Kleczka moved that the motion for reconsideration of senate amendment 6 be laid on the table.

The ayes and noes were demanded and the vote was: ayes, 19; noes, 14; absent or not voting, 0; as follows:

Ayes -- Senators Berger, Bidwell, Cullen, Dorman, Flynn, Frank, Keppler, Kleczka, Krueger, McKenna, Lorge, McCallum, Parys, Peloquin, Petri, Radosevich, Swan, Theno and Thompson -- 19.

Noes -- Senators Adelman, Bablitch, Braun, Chilsen, Goyke, Harnisch, Lasee, Maurer, Morrison, Murphy, Offner, Risser, Sensenbrenner and Van Sistine -- 14.

Absent or not voting -- None.

So the motion prevailed.

Senator Murphy moved that the motion for reconsideration of senate amendment 4 be taken from the table and considered for action at this time.

The ayes and noes were demanded and the vote was: ayes, 16; noes, 17; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Braun, Chilsen, Harnisch, Keppler, Lasee, Lorge, McCallum, Maurer, Murphy, Offner, Petri, Risser, Sensenbrenner and Van Sistine -- 16.

Noes -- Senators Berger, Bidwell, Cullen, Dorman, Flynn, Frank, Goyke, Kleczka, Krueger, McKenna, Morrison, Parys, Peloquin, Radosevich, Swan, Theno and Thompson -- 17.

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Absent or not voting -- None.

So the motion did not prevail.

Ordered to a third reading.

Senator Bablitch asked unanimous consent that the bill be considered for final action at this time.

Senator Murphy objected.

Senator Bablitch moved that the rules be suspended and the bill be considered for final action at this time.

The ayes and noes were required and the vote was: ayes, 31; noes, 2; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Bidwell, Braun, Chilsen, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, McKenna, Lasee, Lorge, McCallum, Maurer, Morrison, Offner, Parys, Peloquin, Petri, Radosevich, Risser, Swan, Theno, Thompson and Van Sistine -- 31.

Noes -- Senators Murphy and Sensenbrenner -- 2.

Absent or not voting -- None.

More than two-thirds having voted in the affirmative, the motion prevailed.

Senator Kleczka in the chair.

2:55 P.M.

Senate Bill 108

Read a third time.

The ayes and noes were required and the vote was: ayes, 23; noes, 10; absent or not voting, 0; as follows:

Ayes -- Senators Berger, Bidwell, Chilsen, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, McKenna, Lasee, Lorge, McCallum, Morrison, Parys, Peloquin, Petri, Radosevich, Swan and Thompson -- 23.

Noes -- Senators Adelman, Bablitch, Braun, Maurer, Murphy, Offner, Risser, Sensenbrenner, Theno and Van Sistine -- 10.

Absent or not voting -- None.

So the bill passed.

Senate Bill 195

Relating to regulating smoking in public places, granting rule-making authority and providing a penalty.

Read a second time.

Senator Krueger moved indefinite postponement.

The ayes and noes were demanded and the vote was: ayes, 15; noes, 18; absent or not voting, 0; as follows:

Ayes -- Senators Bablitch, Berger, Frank, Goyke, Harnisch, Krueger, Lasee, Murphy, Offner, Parys, Peloquin, Petri, Sensenbrenner, Theno and Van Sistine -- 15.

Noes -- Senators Adelman, Bidwell, Braun, Chilsen, Cullen, Dorman, Flynn, Keppler, Kleczka, McKenna, Lorge, McCallum, Maurer, Morrison, Radosevich, Risser, Swan and Thompson -- 18.

Absent or not voting -- None.

So the motion did not prevail.

The question was: Adoption of senate amendment 1?

Adopted.

The question was: Rejection of senate amendment 2?

Senate amendment 2 rejected.

The question was: Rejection of senate amendment 3?

Senate amendment 3 rejected.

Senator Sensenbrenner moved reconsideration of the vote by which senate amendment 1 was adopted.

The ayes and noes were demanded and the vote was: ayes, 13; noes, 20; absent or not voting, 0; as follows:

Ayes -- Senators Chilsen, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, Murphy, Parys, Peloquin, Petri, Sensenbrenner and Theno -- 13.

Noes -- Senators Adelman, Bablitch, Berger, Bidwell, Braun, Cullen, Dorman, Flynn, McKenna, Lasee, Lorge, McCallum, Maurer, Morrison, Offner, Radosevich, Risser, Swan, Thompson and Van Sistine -- 20.

Absent or not voting -- None.

So the motion did not prevail.

The question was: Adoption of senate amendment 4?

Adopted.

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The question was: Adoption of senate amendment 5?

Adopted.

The question was: Adoption of senate amendment 6?

Adopted.

The question was: Adoption of senate amendment 7?

Senate amendment 1 to senate amendment 7 to Senate Bill 195 offered by Senator Offner.

Senator Risser moved rejection of senate amendment 7.

The ayes and noes were demanded and the vote was: ayes, 10; noes, 23; absent or not voting, 0; as follows:

Ayes -- Senators Bidwell, Braun, Chilsen, Dorman, Lorge, McCallum, Radosevich, Risser, Swan and Thompson -- 10.

Noes -- Senators Adelman, Bablitch, Berger, Cullen, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, McKenna, Lasee, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Petri, Sensenbrenner, Theno and Van Sistine -- 23.

Absent or not voting -- None.

So the motion did not prevail.

The question was: Adoption of senate amendment 1 to senate amendment 7?

Adopted.

Senate amendment 2 to senate amendment 7 to Senate Bill 195 offered by Senators Radosevich and Risser.

Senator Goyke moved rejection.

Senator McKenna raised the point of order that senate amendment 2 to senate amendment 7 was not germane.

The chair ruled the point of order not well taken.

The question was: Rejection of senate amendment 2 to senate amendment 7?

The ayes and noes were demanded and the vote was: ayes, 22; noes, 11; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Cullen, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, McKenna, Lasee,

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Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Petri, Sensenbrenner, Theno and Van Sistine -- 22.

Noes -- Senators Bidwell, Braun, Chilsen, Dorman, Flynn, Lorge, McCallum, Radosevich, Risser, Swan and Thompson -- 11.

Absent or not voting -- None.

So the motion prevailed.

The question was: Adoption of senate amendment 7?

The ayes and noes were demanded and the vote was: ayes, 22; noes, 11; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Cullen, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, McKenna, Lasee, Maurer, Morrison, Offner, Parys, Peloquin, Petri, Sensenbrenner, Theno and Van Sistine -- 22.

Noes -- Senators Bidwell, Braun, Chilsen, Dorman, Lorge, McCallum, Murphy, Radosevich, Risser, Swan and Thompson -- 11.

Absent or not voting -- None.

So the amendment was adopted.

Senator Chilsen moved indefinite postponement of Senate Bill 195.

Senator Harnisch moved that Senate Bill 195 be referred to the committee on Natural Resources and Tourism.

The ayes and noes were demanded and the vote was: ayes, 11; noes, 22; absent or not voting, 0; as follows:

Ayes -- Senators Bablitch, Berger, Chilsen, Frank, Goyke, Harnisch, Lasee, Parys, Peloquin, Petri and Van Sistine -- 11.

Noes -- Senators Adelman, Bidwell, Braun, Cullen, Dorman, Flynn, Keppler, Kleczka, Krueger, McKenna, Lorge, McCallum, Maurer, Morrison, Murphy, Offner, Radosevich, Risser, Sensenbrenner, Swan, Theno and Thompson -- 22.

Absent or not voting -- None.

So the motion did not prevail.

The question was: Indefinite postponement?

The ayes and noes were demanded and the vote was: ayes, 12; noes, 21; absent or not voting, 0; as follows:

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Ayes -- Senators Bablitch, Berger, Chilsen, Goyke, Harnisch, Krueger, Lasee, Murphy, Parys, Petri, Sensenbrenner and Van Sistine -- 12.

Noes -- Senators Adelman, Bidwell, Braun, Cullen, Dorman, Flynn, Frank, Keppler, Kleczka, McKenna, Lorge, McCallum, Maurer, Morrison, Offner, Peloquin, Radosevich, Risser, Swan, Theno and Thompson -- 21.

Absent or not voting -- None.

So the motion did not prevail.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 195

Read a third time.

The ayes and noes were required and the vote was: ayes, 22; noes, 11; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Bidwell, Braun, Dorman, Flynn, Frank, Keppler, Kleczka, McKenna, Lorge, McCallum, Maurer, Morrison, Offner, Parys, Peloquin, Radosevich, Risser, Swan, Theno and Thompson -- 22.

Noes -- Senators Berger, Chilsen, Cullen, Goyke, Harnisch, Krueger, Lasee, Murphy, Petri, Sensenbrenner and Van Sistine -- 11.

Absent or not voting -- None.

So the bill passed.

By request of Senator Bablitch, with unanimous consent, all actions were ordered immediately messaged.

Senate Bill 227

Relating to enforcement of nursing home regulations, providing a penalty and increasing appropriations.

Read a second time.

The question was: Adoption of senate 1 to senate substitute amendment 1?

Adopted.

Senate amendment 2 to senate substitute amendment 1 to Senate Bill 227 offered by Senator Berger.

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Senate amendment 2 adopted.

The question was: Adoption of senate substitute amendment 1?

Adopted.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 227

Read a third time.

The ayes and noes were required and the vote was: ayes, 33; noes, 0; absent or not voting, 0; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Bidwell, Braun, Chilsen, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, Krueger, McKenna, Lasec, Lorge, McCallum, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Petri, Radosevich, Risser, Sensenbrenner, Swan, Theno, Thompson and Van Sistine -- 33.

Noes -- None.

Absent or not voting -- None.

So the bill passed.

Ordered immediately messaged.

Senate Bill 276

Relating to maximum finance charges in retail installment sales of motor vehicles.

Read a second time.

The question was: Adoption of senate amendment 1?

Adopted.

The question was: Adoption of senate amendment 2?

Adopted.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 276

Read a third time and passed.

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Senate Bill 277

Relating to specifying the dealer's labor rate for automobile warranty repairs.

Read a second time.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 277

Read a third time and passed.

Senate Bill 324

Relating to authorizing credit unions as public depositories.

Read a second time.

By request of Senator Bablitch, with unanimous consent, **Senate Bill 324** was referred to the committee on Commerce.

President pro tempore of the senate in the chair.

5:30 P.M.

Senate Bill 393

Relating to various changes in awards to victims of crimes.

Read a second time.

The question was: Adoption of senate amendment 1?

Adopted.

By request of Senator Dorman, with unanimous consent, **Senate Bill 393** was referred to the joint committee on Finance.

Senate Bill 396

Relating to the limit on the amount of outstanding bonds and notes of the Wisconsin housing finance authority.

Read a second time.

The question was: Adoption of senate amendment 1?

Adopted.

By request of Senator Dorman, with unanimous consent, **Senate Bill 396** was referred to the joint committee on Finance.

By request of Senator Dorman, with unanimous consent, **Senate Bill 396** was withdrawn from the joint committee on Finance and considered for action at this time.

Read a second time.

Ordered to a third reading.

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By request of Senator Frank, with unanimous consent, the bill was considered for final action at this time.

Senate Bill 396

Read a third time.

The ayes and noes were required and the vote was: ayes, 29; noes, 1; absent or not voting, 3; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Bidwell, Braun, Chilsen, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Kleczka, McKenna, Lasee, Lorge, McCallum, Maurer, Murphy, Offner, Parys, Peloquin, Petri, Radosevich, Risser, Sensenbrenner, Swan, Theno and Van Sistine -- 29.

Noes -- Senator Keppler -- 1.

Absent or not voting -- Senators Krueger, Morrison and Thompson -- 3.

So the bill passed.

Assembly Bill 99

Relating to prohibiting false statements by condemnors to property owners and imposing a penalty.

Read a second time.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Assembly Bill 99

Read a third time and concurred in.

Assembly Bill 311

Relating to special compensation for the death of a member of a rescue squad who is killed in the line of duty.

Read a second time.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Assembly Bill 311

Read a third time.

The ayes and noes were required and the vote was: ayes, 30; noes, 0; absent or not voting, 3; as follows:

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Ayes -- Senators Adelman, Bablitch, Berger, Bidwell, Braun, Chilsen, Cullen, Dorman, Flynn, Frank, Harnisch, Keppler, Kleczka, McKenna, Lasee, Lorge, McCallum, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Petri, Radosevich, Risser, Sensenbrenner, Swan, Theno and Van Sistine -- 30.

Noes -- None.

Absent or not voting -- Senators Goyke, Krueger and Thompson -- 3.

So the bill was concurred in.

Assembly Bill 452

Relating to payment of fees and mileage when subpoenas are issued by the employment relations commission at the request of a party (suggested as remedial legislation by the employment relations commission).

Read a second time.

Ordered to a third reading.

By request of Senator Bablitch, with unanimous consent, the bill was considered for final action at this time.

Assembly Bill 452

Read a third time.

The ayes and noes were required and the vote was: ayes, 31; noes, 0; absent or not voting, 2; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Bidwell, Braun, Chilsen, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, McKenna, Lasee, Lorge, McCallum, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Petri, Radosevich, Risser, Sensenbrenner, Swan, Theno and Van Sistine -- 31.

Noes -- None.

Absent or not voting -- Senators Krueger and Thompson -- 2.

So the bill was concurred in.

Assembly Bill 510

Relating to authorizing the department of agriculture to issue licenses and permits for weather modification operations and eliminating registration with the public service commission, granting rule-making authority, providing a penalty and making an appropriation.

Read a second time.

The question was: Adoption of senate amendment 1?

Adopted.

Ordered to a third reading.

By request of Senator Berger, with unanimous consent, the bill was considered for final action at this time.

Assembly Bill 510

Read a third time.

The ayes and noes were required and the vote was: ayes, 30; noes, 1; absent or not voting, 2; as follows:

Ayes -- Senators Adelman, Bablitch, Berger, Bidwell, Braun, Chilsen, Cullen, Dorman, Flynn, Frank, Goyke, Harnisch, Keppler, Kleczka, McKenna, Lasee, Lorge, McCallum, Maurer, Morrison, Murphy, Offner, Parys, Peloquin, Petri, Radosevich, Risser, Swan, Theno and Van Sistine -- 30.

Noes -- Senator Senaenbrenner -- 1.

Absent or not voting -- Senators Krueger and Thompson -- 2.

So the bill was concurred in.

By request of Senator Bablitch, with unanimous consent, all actions were ordered immediately messaged.

By request of Senator Bablitch, with unanimous consent, the Senate returned to the second, third, fourth and seventh orders of business.

INTRODUCTION OF RESOLUTIONS

Senate Resolution 11

Directing the senate committee on human services to create a subcommittee to investigate the juvenile correction system.

By Senators Murphy, Krueger, McKenna, Keppler, Petri, Adelman, Thompson and Braun.

Read and referred to the committee on Senate Organization.

BILLS INTRODUCED

Read first time and referred:

Senate Bill 482

Relating to collection of taxes paid by municipalities on behalf of indigent persons.

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By Senators Braun and Flynn.

To committee on Education and Revenue.

COMMITTEE REPORTS

The committee on Commerce reports and recommends:

Senate Joint Resolution 39

Memorializing congress to establish a national consumer cooperative bank.

Adoption:

Ayes, 6 -- Senators Berger, Swan, Goyke, Keppler, Bidwell and Petri;

Noes, 1 -- Senator Parys.

Assembly Bill 177

Relating to putting anatomical gift authorization on the back of driver's licenses.

Concurrence:

Ayes, 6 -- Senators Parys, Berger, Goyke, Keppler, Bidwell and Petri;

Noes, 0 -- None.

Assembly Bill 453

Relating to petition for rehearing before an administrative agency (suggested as remedial legislation by the public service commission).

Concurrence:

Ayes, 7 -- Senators Parys, Berger, Swan, Goyke, Keppler, Bidwell and Petri;

Noes, 0 -- None.

Assembly Bill 465

Relating to miscellaneous changes in traffic regulations adopted by local authorities under chapter 349 of the statutes.

Concurrence:

Ayes, 7 -- Senators Parys, Berger, Swan, Goyke, Keppler, Bidwell and Petri;

Noes, 0 -- None.

Assembly Bill 666

Relating to making the 55 mile per hour speed limit and certain other energy conservation measures permanent and relating to suspending a person's operating privilege upon the person's conviction by a court of exceeding the 55 mile per hour limit by 25 miles per hour or more.

Concurrence:

Ayes, 6 -- Senators Parys, Berger, Swan, Goyke, Bidwell and Petri;

Noes, 1 -- Senator Keppler.

RONALD G. PARYS

Chairman

Senator Cullen asked unanimous consent that **Assembly Bill 556** be withdrawn from the committee on Natural Resources and Tourism and referred to the committee on Agriculture, Aging and Labor.

Senator Harnisch objected.

By request of Senator Bablitch, with unanimous consent, **Assembly Bill 556** was withdrawn from the committee on Natural Resources and Tourism and referred to the committee on Senate Organization.

MESSAGE FROM THE ASSEMBLY

By Everett E. Bolle, chief clerk.

Mr. President:

I am directed to inform you that the assembly has passed and asks concurrence in:

Assembly Bill 572

Assembly Bill 321

Assembly Bill 461

MESSAGE FROM THE ASSEMBLY CONSIDERED

Assembly Bill 572

Relating to payment of legal fees for defense of national guard members prosecuted for acts committed while in performance of military duties.

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By Representatives Lallensack, Byers, Murray, Vanderperren, Schneider, Schricker, Soucie, Matty, Travis and Potter.

Read first time and referred to committee on Senate Organization.

Assembly Bill 321

Relating to prohibiting and restricting state and local abortion subsidies.

By Representatives Duren, Plewa, Otte, Hephner, Merkt, Klicka, Matty, Opitz, Gower, Rogers, Murray, Lallensack, Kincaid, Conradt, Porter, Kirby, Shabaz, Tregoning, Lewis, DeLong, Lewison, Medinger, Groshek, Schricker, Menos, Tesmer, Hauke, Behnke, Andrea, Byers, Bradley and McEssy, cosponsored by Senators Flynn, Martin, Kleczka, Sensenbrenner, Petri, Lorge, Berger, Murphy, Chilsen and Keppler.

Read first time and referred to committee on Human Services.

Assembly Bill 461

Relating to municipal building permits.

By Legislative Council.

Read first time and referred to committee on Governmental and Veterans' Affairs.

AMENDMENTS OFFERED

Senate substitute amendment 1 to **Senate Bill 428** by Senator Risser.

Senate amendment 3 to **Senate Bill 301** by Senator Parys.

Upon motion of Senator Bablitch the senate adjourned until 10:00 A.M. Wednesday, June 29.

6:00 P.M.

CHIEF CLERK'S REPORT

The chief clerk records:

Senate Bill 77

Correctly enrolled and presented to the Governor on June 27, 1977.